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Effective 1 January 1983, this report series is being reorganized and retitled the NEAR EAST/SOUTH ASIA REPORT. In addition to material on the Near East and North Africa, it will contain material on the South Asian countries--Bangladesh, Bhutan, India, Maldives, Nepal, Pakistan and Sri Lanka--that presently appears in the JPRS SOUTH AND EAST ASIA REPORT.

29 December 1982

NEAR EAST/NORTH AFRICA REPORT

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PLO MOVES TO OBTAIN WESTERN RECOGNITION DISCUSSED

London AL-HAWADITH in Arabic No 1357, 5 Nov 82 pp 27, 28

[Article by Farid al-Khatib]

[Text] While the Palestinians are deciding on the peace plan for the region, the Western states are waiting for the Arab states and the Arabs are waiting for the Palestinian people. Likewise, the Palestinian people are waiting for Yasir 'Arafat, chairman of the PLO executive committee, who is waiting, in turn, for the Arab states and the Western states following the decision of the Arab summit conference in Fez to live in peace with Israel after a Palestinian state comes into being and form a "seven-member committee" on the summit level to visit Washington, London and Paris.

The Palestinian decision-making process has therefore been delayed for the time being. Responsible Palestinian sources refused to announce the convening of the PLO leaders in Tunis. They said the general conference of Fatah may not take place now nor will the new session of the Palestinian National Council be held this month. During the two months since the resistance left Beirut, 'Arafat continued his Arab visits and then shifted to touring Eastern Europe. He hasn't as yet gone to the Palestinian arena to learn the points of view there and prepare to form a large bloc that will work democratically in the official Palestinian institutions to encourage the passage of a new resolution.

'Arafat avoided meeting with Austrian Chancellor Bruno Kreisky who made an official visit to Tunis two weeks ago. Salah Khalaf, a member of the Central Committee of Fatah, acted for him. The substitute meeting was futile because the Austrian chancellor and the Palestinian leader had not planned at all to meet, and when the meeting did take place, "Abu Iyad" confirmed the desire of the PLO to achieve peace in the region and the desire of the Palestinian people to regain their identity and obtain their "passport". As for Kreisky, he was only a listener for most of the time the meeting lasted.

It was expected that if Kreisky met with 'Arafat, he would urge him to recognize Israel in order to satisfy the conditions laid down by the United States and the Western European states for recognition of the PLO, confront the United States and Israel with their obligations toward peace in the Middle East, and ignite a "diplomatic war" between them over the achievement of peace in the region.

Instead, 'Arafat traveled to Morocco where he met with King Hasan and examined with him the functions of the seven-member committee that resulted from the last Arab summit conference in Fez after he had previously studied these functions during his talks with King Husayn in Amman.

The seven-member committee is the mechanism created at the Fez summit to implement its decisions, the most prominent being the readiness of the Arab states to live in peace with Israel and the existence of a Palestinian state.

Palestinian officials believe it is not really enough for Palestinian diplomacy to rely on the "mechanism" of the Arab summit to achieve its goals. On the contrary, it is logical and natural for there to be a special Palestinian "mechanism" to achieve the goals of the Palestinian people, the most important at this stage being to obtain recognition of the PLO by the United States and other Western states.

In fact, it has not been possible for Faruq al-Qadumi, head of the political department of the PLO, or Khalid al-Hasan, a member of the Fatah Central Committee, to meet with Ronald Reagan in his capacity as a member of the delegation of the "seven-member committee" led by King Husayn who met with Reagan a week ago Friday in talks described in advance as arranged for the purpose of the two sides presenting their views and not to engage in political talks. "Abu al-Sa'id" who obtained an American entrance visa while waiting in the hotel where he was staying in Washington was satisfied with his title of "absent member" during the meeting of the seven-member committee with the American president.

Arab diplomatic sources are sure that the situation of the PLO representative will not be much different when the delegation of the Arab summit meets with Prime Minister Margaret Thatcher in London or with French President Francois Mitterrand. And even if the PLO representative joins the Arab delegation in its meeting with Mitterrand or Thatcher, the diplomats think it is unlikely that the PLO representative's joining the Arab delegation or attending the meeting with the French president or the British prime minister will be a step toward British or French recognition of the PLO.

These sources add that the PLO representative will be unable to attend the meeting with Thatcher or Mitterrand without an invitation or attend the meeting at the invitation of a comrade in the Arab delegation or attend the meeting among the Arab entrants, i.e., the PLO representative will be unable to join the Arab states through the "window" if he is not allowed to do so through the "door".

Western diplomatic sources are sure that the principal Western European states; i.e., Britain, France, and West Germany, are now adopting a common stand in support of the American stand that the "price" of recognition of the PLO is its recognition of Israel's right to exist within secure and recognized boundaries and acceptance of Security Council resolutions 242 and 338. Washington's position on the matter was confirmed by a State Department spokesman the week before last. The same sources say it will be impossible for the PLO to obtain Western recognition by indirect means or inadvertence

or trickery. The "price" of recognition must be paid. The sources add that Britain has ceased demanding "simultaneous recognition" of each other by Israel and the PLO. It is now calling for such recognition by the PLO alone, and France is doing likewise.

Na'if Hawatimah, secretary-general of the Democratic Front, declared at this time that the PLO is "looking seriously" at the idea of mutual recognition. He said the Democratic Front will present a plan in this regard at the coming sessions of the National Council, which invited him to make "courageous decisions", taking into account the wishes of public opinion, especially in Israel, to put a final halt to the bloody endless cycle.

A Palestinian official confirmed that Hawatimah is inclined to do so. During the 1970's he had urged the National Council to make a decision on establishing the "national authority" on any piece of Palestinian land from from which the Israeli occupation was driven off. But this official added that a LE MONDE correspondent had perhaps enticed Hawatimah into saying more than he really wanted to!

Dr 'Isam al-Sartawi, an official engaged in the "secret diplomacy" of Fatah announced in an address delivered at Oxford University that the PLO is ready to enter into serious talks on bringing a just and permanent peace to the region on the basis of Israel's right to exist.

Al-Sartawi challenged Israel to be bold in exchanging recognition with the PLO. He said he prefers to look upon Menachem Begin as Israeli prime minister and not as a terrorist. And it is up to the Israelis to elect him as their prime minister, if they want to.

Al-Sartawi added that the governments of the United States, Britain, and other Western states have the responsibility and duty to bring peace to the Middle East. He was speaking from one of the most distinguished British platforms in a debate boycotted by the Israeli government but participated in by two representatives of the Labor Party from the Friends of Israel at the invitation of the Oxford Students Union, which two prime ministers and opposition party leaders had previously joined.

Moreover, the media reported last week that Nimr Hammad, director of the PLO office in Rome, issued a statement in which he expressed the organization's willingness to negotiate with the opposition Labor Party in Israel. This statement is the first of its kind because up to now the PLO carried out negotiations (only) with Israeli and other Zionist leftist parties and forces that support the existence of an independent Palestinian state but not with any Zionist rightist party in Israel.

Ilyas Furayj, mayor of Bethlehem who had once met with former Secretary of State Alexander Haig, again urged the PLO to recognize Israel's right to exist in return for its recognition of the Palestinian people's right of self-determination.

Israel naturally rejected the PLO's recognition of it. However, the World Jewish Congress last July passed a resolution calling for "affirmation of the legitimate rights of the Palestinian people." This was done at a meeting of the executive committee of the World Jewish Congress held in Paris. It is the highest Jewish authority in the world and the principal source of financial support for Israel. This resolution was preceded by the issuance of the "Paris proclamation" signed by some of the world's leading Jews, e.g., former American Secretary of Commerce Philip Klutznick, former French Premier Mendes-France, and Nahum Goldmann, former president of both the World Jewish Congress and the World Zionist Organization. It called for "mutual recognition" of the PLO and Israel and for the initiation of negotiations.

Some observers believe these Jewish stands were among the factors that prompted "Reagan's plan", which was announced the day after the completion of the PLO's departure from Beirut.

However, Nahum Goldmann died in West Germany after the departure of the resistance from Beirut and Mendes-France followed him into the other world the week before last. While their deaths were a loss for Palestinian rights, they represented a symbol of the "crisis of time" for the PLO which is plunging into its "political and diplomatic" battle after the departure from Beirut, despite the fact that time is in its interest today more than it will be tomorrow because the period of the peace plans is limited after the Palestinian-Israeli war, not unlimited.

Some informed observers believe "time is valuable" in the present stage of the life of the PLO. It is living in a "race with time", which is trying to run away from it, and not living in a situation of "gaining time" because the time of the current peace plans may run out in the not too distant future. The British proverb "You keep playing to gain time until time runs out" applies to the PLO.

The observers are, of course, greatly concerned with the results of the last King Husayn-'Arafat talks in Amman, which led to placing the subject of federation or confederation on the Jordanian-PLO agenda. Some of the media announced that King Husayn is waiting to receive authorization from the PLO to speak in the name of the Palestinian people in the peace negotiations because the Reagan plan assigned King Husayn the role of "authorized representative."

However, Jordanian diplomatic sources assured AL-HAWADITH that King Husayn is prepared to support the PLO in its effort to obtain Western recognition and promote an atmosphere of calm between the PLO and the West. Nevertheless, the Jordanian king wants the PLO personally to assume its responsibilities for peace and to make the decisions that will enable it to obtain peace. But he is not prepared to agree to substituting Jordan for the PLO in making these decisions or in performing the role expected of it, a situation fraught with dangers.

These sources added that King Husayn's anticipated visit to Washington this month may change under the existing circumstances into an ordinary visit

concentrating on bilateral matters like the visits the king used to make to Washington before the era of former President Jimmy Carter who broke his promises to the Jordanian king.

The Camp David accords had assigned a role to Jordan and a role to the Palestinians for achieving "self-rule" in the West Bank and Gaza. However, King Husayn did not want to play this role, especially since the Palestinian people rejected his role as the Camp David accords defined it.

Jordan together with the Arabs and the world are waiting for the Palestinian decision, which appears to have been deferred for the time being. On the other hand, the United States is insisting on playing a "poker game" with the PLO on the table based on the American conditions whose object has come to mean the Western states' recognition of the PLO more than the PLO's recognition of Israel.

President Husni Mubarak recently announced that secret negotiations may now be taking place between the United States and the PLO. However, a Palestinian official told AL-HAWADITH "these talks are not direct nor do they have any particular importance since Egyptian Minister Kamal Hasan 'Ali is carrying them on as an intermediary in Cairo between Dr Ahmad Sidqi al-Dajjani, member of the PLO executive committee, and American Ambassador Alfred Atherton."

This means there is nothing new to date in Palestinian-American relations. The PLO is awaiting the impact of the Fez summit decisions on the American decision and America is awaiting the independent Palestinian national decision.

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SOVIETS STILL TRYING TO FIND AN EFFECTIVE STRATEGY

Paris LIBERATION in French 10 Nov 82 p 17

[Article by Francois Sergent: "'The Soviets Count on Division Among the Guerrilla'"]

[Text] According to Jean-Jose Puig, a specialist of Afghanistan just back from there, the Soviets are trying to neutralize resistance by dividing its various fractions rather than through a military victory.

Close to three years after the Soviets invaded Afghanistan, it is still hard to discern what military strategy Moscow has decided to follow against the resistance. The Soviet-Afghan armies' offensives last summer and fall, like previous offensives, were sometimes suddenly interrupted before any decisive advantage was obtained by either side. According to Jean-Jose Puig, a member of the Friends of Afghanistan,* who has just spent close to three months in the country, as he has done every year since the Soviet intervention, Moscow is primarily interested in "neutralizing the guerrilla." According to him, the Soviets are not leading a "military war" that would end in "pacification or a conversion of the country to the virtues of socialism." This strategy results in a sort of status quo between the Soviets and the guerrilla; it is a game with no winners and no losers.

During his trip, which took him on foot or on horseback practically through the whole eastern part of Afghanistan in the company of various resistance movements, he came to the conclusion that the Soviets were biding their time. Their present strategy, as he could observe it in the three offensives he witnessed (one against Panjshir, one against Loghar and one against Paghman), were precisely aimed at "terrorizing civilian populations." The sixth offensive against Panjshir, the valley north of Kabul which has become a symbol of resistance, is very significant in this respect, he explained. The sixth offensive took place on 28 August and until mid-September. First, Soviet tanks advanced in the valley, which is wide enough. This advance was accompanied by intensive bombardments of the villages and ridges where the mujahedins had settled. These bombardments did not result in many losses in human lives since Mas'ud, the remarkable strategist commanding the valley,

* Les Amis de l'Afghanistan, BP 187, 75867 Paris Cedex 18 (France).

had been informed of the imminent assault and had managed to have most villages evacuated. But, according to J.J. Puig, the Soviets set out to destroy the houses, plunder the food reserves and devastate the crops. Since then, Commander Mas'ud has had to make several appeals for international aid—which have remained unanswered until now—to prevent the famine which threatens this region.

As far as military strategy is concerned, Mas'ud first refused a head-on encounter with Soviet armies, preferring to harass them as they advanced. He waited for the armored column to enter into an adjacent valley, east of Panjshir, before attacking them. To his surprise, they broke off the action and pulled back during the night of 10 September, as if they wanted to avoid a confrontation. A few days later, they left the valley and it is not known whether they felt they had suffered a military defeat or, what is more likely, had received an order to withdraw to Kabul.

In Loghar or around Paghman, where Puig watched two more offensives, the Soviet strategy remained the same although the relief was different. As in Panjshir, they advanced in armored columns protected by combat helicopters or fighter-bombers. The villages were bombarded, occupied a few hours or a few days, after which the Soviets left and the peasants, who had sought refuge in the mountains, came back.

In his discussions with villagers, however, J.J. Puig found no resentment against the mujahedins. In some regions, especially in Panjshir, the resistance fighters tried to explain during the winter truce why they were fighting. In other regions, as in Loghar, J.J. Puig saw shelters that the mujahedins had dug up in the mountain, and where the villagers could take refuge during bombardments. However, according to Puig, the Soviets' attempt at cutting off resistance fighters from the population is a form of psychological warfare, as are their attempts at dividing the resistance.

J.J. Puig does not deny that there are dissensions between the various resistance fractions, which sometimes end up in fratricide combats, but he feels that these dissensions are "nourished by Soviet subversion." According to him, "such subversion has been the greatest Soviet success in the past three years." The terrain, he acknowledges, is favorable: there are an infinite number of tribal, ethnic, regional and religious dissensions in Afghanistan, and they are as old as the country. The Soviets have applied themselves to an analysis of all these particularisms so as to use them to create division among the resistance through political agents and groups of provocateurs. This is only an updating of the old strategy used by the British in the Indian subcontinent: "to divide and rule." Thus, in the Andabarad valley, according to Puig, a group of 40 powerfully armed men pretending to be mujahedins managed to start a fight between two major resistance groups, the Jami'at and the Hezb-e Eslami (fundamentalists), during which 12 were killed. Puig also said that in the center of the country, in the Hazarajat, the Soviets are trying to impose a pro-Khomeyni resistance group called "Nasr" which, according to Puig, is in fact manipulated by the Iranian Communist Party which takes its orders from Moscow.

FOREIGN TRADE PRIORITIES EXAMINED

Algiers REVOLUTION AFRICAINE in French No 978, 19-25 Nov 82 pp 23-29

[Article by Yacine Ould Moussa: "Reconciling Needs and Resources"]

[Text] One of the main keys to the orientation and management of the national economy is foreign trade, which occupies a central position in the national development process. Consequently, all programs involving investments and an expansion of national production capacities are expressed in foreign trade movements over which our country assumes complete control in order to make our foreign trade serve the development and construction of the country and society.

As a result, foreign trade plays a strategic role in the promotion and orientation of economic activity in the direction of the nation's fundamental choices and the implementation of the economic and social policies drafted by the country's highest authorities.

Actually, if the well-being of a society and economy is measured by the quality and level of foreign trade balance, particularly in an international situation marked by a difficult redefinition of the division of labor in which egotistical appetites and hegemonic aims are a way of life, the supervision, orientation and structure of foreign trade also totally determine the level of development of a given country and clearly express the degree of economic, even political independence of a sovereign nation vis-a-vis the international environment.

All relationships of strength, whether political or economic, that exist between members of the international community are manifested and expressed in a very clear fashion on the occasion of trade between sovereign nations. From the nature, structure and volume of trade comes the capacity of each of the nations to make its choices and guarantee the realization of its social purposes. For Algeria, foreign trade mainly responds to the requirements of the plan, the needs of the national economy and the consolidation of economic independence.

During this period of execution of the 5-year plan, the 1983 import and export program drawn up by the Cabinet at its meeting of Sunday, 7 November 1982, expresses the determination of our country to master the basic equilibrium of

the national economy and adapt the use of our resources to our country's priority production needs. What are the features of the program? With respect to imports, the general foreign trade program amounts to 51 billion dinars and for exports, to 66 billion dinars.

Actually, the 51 billion dinars in imports represent import authorizations. This general import program includes 45 billion dinars to be used to import equipment and 5 billion dinars for execution of the prefabricated construction program.

What criteria and principles guided the drafting of the 1983 general import program? Ali Oubouzar, secretary of state for foreign trade, talked to us about the subject: "We planned imports based on the needs of the national economy. The principles that guided us in drafting the program were the following: first of all, the people's fundamental needs for food, medicine and books. The second principle has to do with meeting needs stemming from the annual development plan and the achievement of planned objectives. Finally, the last criterion was meeting needs stemming from the operation of the national economy and national production with respect to raw products and semi-finished products."

These are the criteria guiding the drafting of the general import program. But when one is speaking of uses, one is also speaking of resources. Concerning the export program, Oubouzar said that "this export program was designed to meet our need to cover imports through foreign payments. We have not maximalized our export program. We planned the latter based on needs stemming from the annual plan, operation of the economy and the incompressible consumer demands of households. We have done so because we want to save on petroleum products and natural resources, given the fact that most of our exports are based on hydrocarbons."

Thus, in order to meet the requirement of preserving natural resources, the export program was designed so as to achieve a good balance between the country's incompressible needs and the level of our export receipts.

Likewise, drafting of the 1983 export program was aimed at covering imports of services, a field in which our balance shows a deficit. Finally, "the last criterion for exports was the desire to achieve a surplus in goods and services in 1983 in order to improve our process of paying off our debt so that Algeria will use less credit in 1983 than it pays back," Oubouzar said in speaking about the need to control and master the foreign trade balance. This is the objective that was included in the 5-year plan and that consists of gradually paying off the foreign debt. Concerning this process, the secretary of state said: "In order to carry out the vast investment programs in gas, petrochemistry, iron and steel, oil and building materials, Algeria had to go to the international financial market. The 1970-1980 decade thus ended with a large debt and we have planned to pay off that debt during the decade from 1980 to 1990. This means that by 1990, Algeria's foreign debt should drop to an insignificant level because we want to reduce it to a level compatible with our foreign payment resources in 1990."

It is therefore in keeping with the main objectives of the 5-year plan for the restoration of the basic balance of the national economy and the satisfaction of social needs that the 1983 foreign trade program was designed and drawn up.

Priority to Development

What are the contents of that foreign trade program? What are its main elements? First of all, for imports, 1983 once again expressed the priority granted to the country's socioeconomic development. Out of the 50 billion dinars allocated, 45 billion will be devoted to the importation of capital goods and equipment needed to carry out the annual portion of the plan and to the fluidity of economic activity. As for the remaining 5 billion dinars, they will consolidate and stimulate the vast prefabricated construction program for the building of housing, administrative, sociocultural, economic infrastructures, and so on. The annual plan for 1983 amounts to 105 billion and alone results in an equipment import program on the order of 20 billion dinars. Likewise, 75 percent of our imports in 1983 in physical volume will go for economic and social development actions.

Food Imports 1983 (in millions of dinars)

| <u>Product</u> | <u>Quantity</u> | <u>Value</u> |
|----------------|----------------------|--------------|
| Meat | 50,000 tons | 550 |
| Milk | 195,000 tons | 1,160 |
| Eggs | 1.2 billion units | 300 |
| Potatoes | 90,000 tons | 70 |
| Coffee | 67,000 tons | 800 |
| Hard wheat | 10 million quintals | 875 |
| Soft wheat | 8 million quintals | 830 |
| Semolina | 5.9 million quintals | 900 |
| Unrefined oil | 280,000 tons | 700 |
| Sugar | 500,000 tons | 900 |
| Butter | 33,000 tons | 300 |
| Cheese | 20,000 tons | 205 |

Total imports: 10 billion dinars

When one examines the structure of the 1983 import program, one notes that nearly 10 billion dinars are allotted for food products, 20.5 billion for capital goods, 17.5 billion for raw and semi-finished products and finally, 2.5 billion for industrial consumer goods, or a total of 51 billion dinars in authorizations.

When one excludes the allocation for food imports, one finds that 40 billion dinars are allocated for the needs of developing and building the country. Actually, industrial consumer goods (2.5 billion dinars), raw and semi-finished products (17.5 billion dinars) and capital goods (20 billion) have the lion's share in the general 1983 import program, which points up the determination to devote our resources to expanding our productive and social

capacities and improving production and productivity through a proper cover of the needs of the country's economic structures for raw and semi-finished products.

With respect to industrial consumer goods, medicines (900 million dinars), detergents (200 million dinars), books, newspapers, office and school materials (200 million), household equipment and items (100 million dinars) and sewing and weaving machinery (150 million dinars) constitute the major portion of allocations totaling 2.8 billion dinars.

With respect to raw and semi-finished products, the allocation of 17.5 billion for 1983 is the manifest determination of taking maximum advantage of all the country's production capacities in order to stimulate the response to the country's industrial and agricultural needs.

With 550 million dinars and 120 million dinars allocated for livestock feed and fertilizers respectively, the needs of agriculture and particularly that of improving production of red and white meat are clearly apparent.

Funds allocated for building materials: cement (900 million), iron rods for reinforced concrete (700 million) and wood (900 million), express the determination to stimulate the housing sector, which shows a huge deficit in our country.

Leathers and hides (100 million), rubber (80 million), glass (100 million), paper pulp and cardboard (270 million), chemical products (1 billion dinars), and iron and steel products (650 million) also indicate the concern for promoting and developing processing industries, whose level of performance and degree of quality greatly determine the fluidity of industrial activities and their ability to respond to the realities and needs of our economic fabric.

But the greatest portion of the import program is reserved for capital goods and prefabricated goods, with 20 out of the 50 billion dinars in the general program in value. In volume, 75 percent of the program is earmarked for development, the construction of economic infrastructures, transportation (railroad, roads, bridges, and so on), social and administrative facilities and projects included in the annual portion of the 5-year plan.

The year 1983 will be the fourth year in the 5-year program and consequently, the general import program reflects the essential need to achieve all the planned objectives because of their effect on jobs, income, economic integration and consolidation of the productive apparatus in this phase of reorganization and decentralization, which will be in full swing in 1983.

Some 20 billion dinars for capital goods, including 5 billion for prefabricated construction materials, can alone bear witness to the scope of the effort made to carry out the economic and social policy drawn up by the Fourth Congress of the FLN and included in the 5-year plan. The 20 billion also indicate the concern for preserving our hydrocarbon resources for coming generations so as to base the country's development and independence on the valorization of work and the material and human potential our country will have after assembling all the socioeconomic and organizational conditions that will

create wealth and continue to reproduce it in an autonomous and irreversible fashion.

A total of 20 billion out of 50 billion for capital goods is therefore strictly in keeping with the strategy of turning our hydrocarbon resources into reproducible assets that can guarantee our country true independence, far from all the pressures and contingencies of the Third World countries that have failed to protect their fate and the perpetuity of their choices.

Actually, a foreign trade program fits perfectly into the dynamic process embarked upon by the nation's highest bodies. In its resolution on the plan, passed at the December 1970 session, the Central Committee of the FLN Party states that it "deems the gradual satisfaction of all needs to constitute the central basis around which development actions must be articulated and that special attention must be paid to reducing the degree of dependency on foreign economies."

Evolution of Commercial Trade Balance (in billions of dinars)

1979: + 4.1
1980: + 10.9

| <u>Type</u> | <u>1981</u> | <u>1982</u> | <u>1983</u> |
|-------------|-------------|-------------|-------------|
| Export | 61.25 | 59 | 66 |
| Import | 47.5 | 48 | 50 |
| Balance | +13.75 | +11 | +16 |

The volume and structure of our foreign trade shows how our country intends to channel its development policy in order to respond to the legitimate aspirations of the people. A total of 50 billion dinars in imports clearly expresses the scope of the projects to develop the country's material and human resources and, at the same time, the growth in social needs due to the improved standard of living reflects the constant broadening of aspirations of the Algerian citizens.

Food Burden

This brings us to an important element of the import program; the allocation for imported food products. First of all, one should note its constancy since 1980, inasmuch as it has stabilized at between 20 to 25 percent of our total imports. This year again, it will be on the order of 20 percent in value, or 11 billion dinars out of a programmed 50 billion. The food burden actually poses the problem of food dependency. With 20 million inhabitants, our country has incompressible needs. To a very high birth rate: 3.2 percent a year, or between 500,000 and 600,000 births a year, an average rate of increase in Algerian farm production of only 3 percent annually, one must add an average annual increase in consumption on the order of 12 percent due to the distribution of income stemming from a broadening of production capacities and to the improved standard of living of the Algerian people.

All these factors join together to intensify the national demand for agricultural and food products.

Despite the efforts made in rural housing, investments in agriculture, the introduction of machinery and new forms of rural organization, Algerian rural areas can no longer hang on to its young people and there is not enough help to work the land. The farm labor force is getting older, in complete incompatibility with the essential need to improve agricultural production and productivity and with the demand for skilled farm workers. While remaining on the job, the old people are not the proper force for training the young and for improving growing techniques and methods for working the land. Young people are attracted to the city to more remunerative jobs that are also easier.

In order for young people to have their elders' vocation for the land, they have to have the conviction that their destiny, their future and their living conditions can be ensured by the products of their labors and of the land, for the land yields nothing unless it is worked. Despite the climatic uncertainties affecting farm production, we must ask the question of whether we have reached the ultimate maximum limits of improving farm production and productivity. Thanks to our policy of organizing the rural world, of developing our water resources, of rational development of the territory, have we, by virtue of our price policies, our process of the technical and scientific modernization of our agriculture, our policy of income and taxation, reached the limits of growth of our agriculture, beyond which any population growth implies the importation of food products? Have we encouraged and integrated all forms of updating the profession of agriculture? Have we established all the conditions so that our agricultural potential is broadened and yields the full measure of its capacities? If the answer to all these questions is yes, then the 11 billion dinars, or 1.1 trillion centimes in hard currency, are the result of the additional demand due to the 10 million Algerians born between 1962 and 1982.

If the answer is no or somewhat partial with respect to the creation of the conditions needed for our food self-sufficiency, then we must seriously think of reducing that 25-percent share of food imports, for if one cannot act on demand which is incompressible and which constitutes one of the basic aims of the country's economic and social policy, one can act on the supply through the implementation of a bold policy to promote and upgrade work and the fruits of the land. It is alarming to note that Algerian agriculture lacks labor, when two-thirds of our inhabitants are under the age of 30 and when our country lost 1.5 million of its sons to regain the sovereignty and independence of its sacred soil.

The land and the agricultural potential have always been one of the main concerns of colonialism. Today, the land remains at the heart of the policy of developing the country. Reorganization, cleaning up the environment, housing and sociocultural infrastructures are part of a vast program to develop the rural world. The success of this program is the only way to reduce the bill of 11 billion dinars for food products.

A total of 550 million dinars for meat, 300 million for eggs, 1.16 billion for milk, 800 million for coffee, 1.6 billion for soft and hard wheat, 318 million for barley, 320 million for corn, 900 million for semolina, 700 million for oil and 900 million for sugar: These are the main categories of food imports for 1983.

Naturally, while eggs do provide a substantial protein supplement for the population in the absence of adequate sheep and cattle production, is it proper to continue to import 1.2 billion eggs for 30 billion dinars in old currency? Dry legumes that can be industrial crops are another import category costing 25 billion old dinars.

There is no lack of examples where one can and must make an effort to reduce the food bill, but one must also pose the problem of population growth and responsibility so that each individual may consciously assume his own responsibilities vis-a-vis himself, his family and the national community today and tomorrow. With a population growth rate of 3.2 percent annually, there will be 25 million Algerians by the year 1990 and 36 million by the year 2000.

Structure of Imports (in millions of dinars)

| | <u>1981</u> | <u>End 1982</u> | <u>1983 Est.</u> |
|------------------------------|-------------|-----------------|------------------|
| Food consumer goods | 9,065 | 9,100 | 9,500 |
| Industrial consumer goods | 2,710 | 4,400 | 2,500 |
| Raw and semi-fin. products | 17,380 | 18,500 | 17,500 |
| Capital goods, incl. prefab. | 18,305 | 16,000 | 20,500 |
| including prefab. | (3,000) | (584-1,000) | (5,000) |
| Total | 47,500 | 48,000 | 50,000 |

Naturally, every Algerian born is born with two good arms, as President Boumediene, but we must make the most of that potential so that it will create its own wealth and be protected from all forms of dependency. The improvement in the standard of living and sanitary conditions has contributed greatly to the longer average life span and we must therefore also think about planning our population growth in terms of our resources, our capacity to exploit them rationally and our economic and social aims as outlined in the constitution. Population problems are also posed in our country in terms of production and a steady improvement in productivity in order to meet all the social needs of the citizens. It is on this level that every individual must assume a large share of the responsibility vis-a-vis his future and that of his children.

If the general import program devotes 11 billion dinars to food products, it is also in order to preserve the dialectic between the health of an economy and the health of a people. Nevertheless, a huge effort to improve the handling and utilization of our agricultural and agroindustrial potential must be made in order to achieve a harmonious balance between our needs and our resources.

Diversification and Reabsorption of the Debt

The general foreign trade program is also based on a diversification of Algeria's trading partners. Given the structure of our exports, essentially dominated by hydrocarbons, our country is waging a diversification policy in both directions of foreign trade. One can say that today, there is no dominant partner because the share of our trade taking place with the main economic partners does not exceed 20 percent and also reflects the respective weight of each in international trade. The EEC countries, the United States and Japan do remain major partners by virtue of the development programs embarked upon by our country and the structure of international markets, they have no privileged rank and do not dominate our trade.

To this effect, the Central Committee of the FLN Party emphasized, in its resolution on the plan and the general orientations of economic and social development for the coming decade, passed at its December 1980 session, "the need to develop the policy of diversifying economic partners and strengthening relations with Third World and socialist countries, in their mutual interest and in order to safeguard the country's economic independence."

That is why, every time that Algeria can buy from a Third World country based on its needs and economic and commercial conditions, it does so in order to give a specific content and positive direction to South-South cooperation. The figures prove this because the share of Algeria's foreign trade with Third World and socialist countries went from 4 percent in 1978 to 12 percent in 1982.

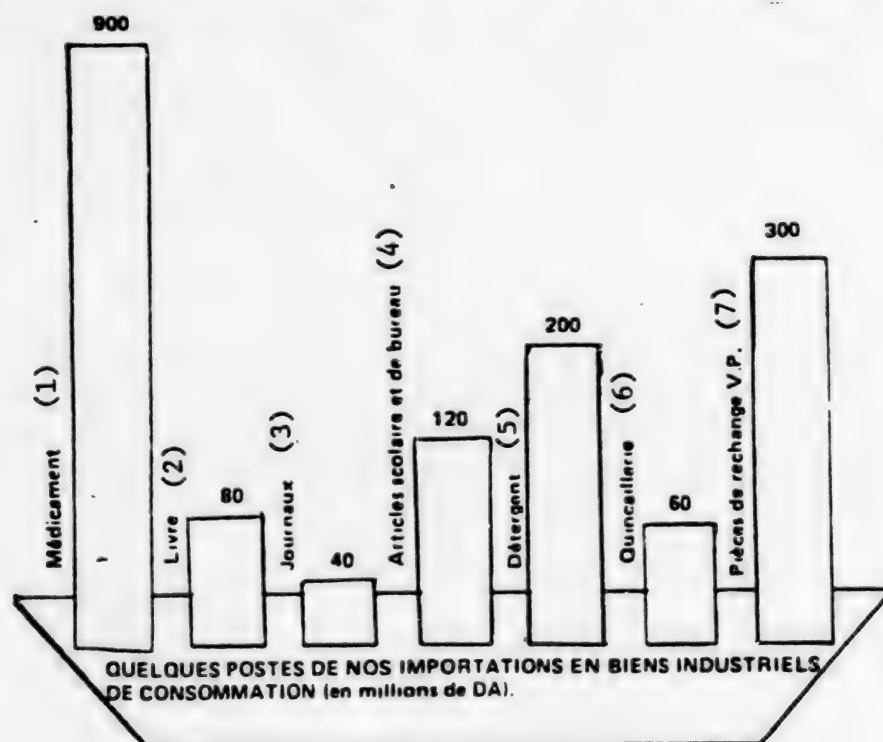
Whenever possibilities of trade, cooperation and complementariness exist, our countries engage in economic relations presenting opportunities for expansion for Algeria. Despite the rigidity of the economic structures of Third World countries, our country explores and exploits new forms of trade and cooperation that will encourage the collective autonomy of developing countries whose resources and potential are considerable.

In the past 2 years, our country's trade balance has shown a surplus: over 13.75 billion dinars in 1981, over 11 billion in 1982 and again in 1983, there will be a positive balance of 16 billion dinars. This has resulted in a good foreign financial balance. It is not at all surprising that today, international banks continue to court Algeria which, despite its debt which is being repaid, remains a valid and solvent partner from every standpoint because of the scope and nature of its development process and the constancy of its choices and options.

This confirms the application of the Central Committee resolution of December 1980 on the plan, which stipulates that "limitation of the recourse to foreign resources must constitute a constant concern of all economic officials, and the use of foreign aid must be controlled and selective and follow proper limits and rigorously planned proportions."

On this subject, Oubouzar told us: "At the present time, in the 1980's, even if our debt is rather heavy, we can bear it because we have our exports of

Some Categories of Industrial Consumer Goods Imports (in millions of dinars)



Key:

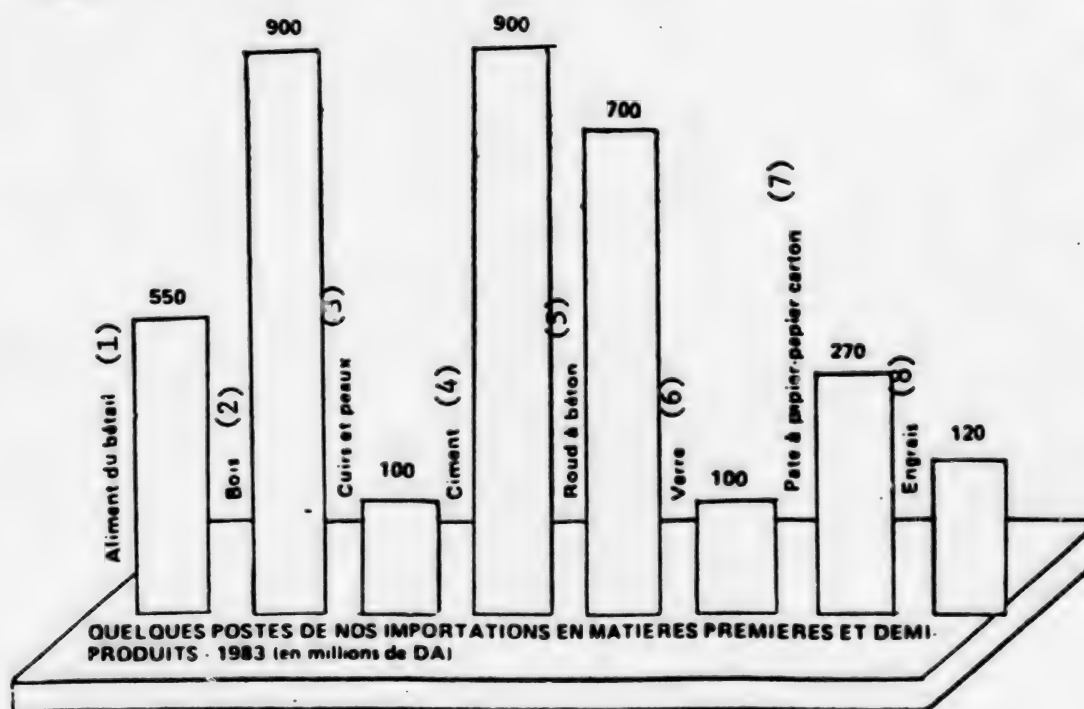
- | | |
|-------------------------------|-----------------------|
| 1. Medicines | 5. Detergent |
| 2. Books | 6. Hardware |
| 3. Newspapers | 7. Spare parts, tires |
| 4. School and office supplies | |

hydrocarbons, oil, refined products, condensate and gas. Beginning in 1990, we shall no longer export oil and foreign receipts will consequently be limited. By that time, our foreign debt must be reduced to the maximum extent. It is actually now planned and controlled. We keep a strict eye on our foreign debt. I believe that this is the basic strategic foundation of our economic policy.

It is clear that the conduct of this process of repaying the debt must be accompanied by another thrust limiting foreign receipts to strict coverage of development needs, while producing a maximum of our own consumer needs. President Chadli himself expressed the problem, saying that: "We must no longer live politically off the martyrs of the revolution and economically off our oil and gas resources."

The post-oil period is not in the immediate future, but we must start preparing for it now. A general foreign trade program expresses and perfectly reflects the road our country has taken, but in addition, the one that lies ahead in order to build our proposed society, safeguard our choices and provide for our future.

Some Categories of Raw Materials and Semi-Finished Products, 1983 (in millions of dinars)



Key:

- | | |
|-----------------------|--------------------------------------|
| 1. Livestock feed | 5. Iron bars for reinforced concrete |
| 2. Wood | 6. Glass |
| 3. Leathers and hides | 7. Paper pulp, cardboard |
| 4. Cement | 8. Fertilizers |

11,464

CSO: 4519/81

'ROSE AL-YUSUF' VIEWS U.S. ECONOMIC AID

PM091141 Cairo ROSE AL-YUSUF in Arabic 6 Dec 82 pp 17-19

[Article by Mahmud al-Tuhami: "The U.S. Attitude Toward U.S. Aid"]

[Excerpts] Under the title "Major U.S. Aid Program Comes Under Attack" the WASHINGTON POST on 7 November published an inquiry by its correspondent David Ottaway regarding criticism leveled at the U.S. aid program for Egypt alleging that the program satisfied neither the Egyptians nor the Americans. Concluding, he called on the U.S. Government to adopt a firm stand toward Egypt with regard to aid.

Last week we discussed in ROSE AL-YUSUF the facts about the attack on the aid program under which Egypt obtained \$7.2 billion between 1975 and 1982. The discussion showed that Egypt spent the greater part of the aid on financing the import of wheat, semifinished commodities for industry needed so that Egyptian production units in industry and agriculture could operate at full capacity, the building of projects for the maintenance and renovation of basic utilities, and financing research and study programs for giving momentum to economic and social development.

Among the things David Ottaway said in the WASHINGTON POST was that some U.S. businessmen and congressmen are not satisfied with the aid program for Egypt because in their view it does not serve the interests of the U.S. private sector and it is bigger than necessary in the light of the fact that allocations totaling \$2.8 billion that have not been spent so far have accumulated over the past years.

David Ottaway pointed out that some 20 percent of the aid projects in Egypt are facing difficulties of implementation.

We would like to ask here: How true are David Ottaway's allegations of U.S. criticism?

A U.S. official source in Cairo said that the U.S. aid program for Egypt is not devoted to serving the U.S. private sector; rather it is primarily directed toward helping Egypt implement its economic and social development programs.

If it so happens that this goal coincides with the interests of U.S. businessmen, this is encouraging but is in no way necessary.

The source explained the reasons for the objection by some businessmen to the program's projects in Egypt. He said that the majority of the program's massive projects are directed toward renewing and improving basic utilities and strengthening the means of production. As a consequence the benefits from participation in the implementation of these projects have been confined to major U.S. companies to the exclusion of others. It is therefore natural that this should create some sort of opposition from the companies that did not participate in implementation.

Democratic View

It is natural that parties inside the United States should try to obtain the greatest benefit from U.S. capital investments. If we review the groups that complain about the aid programs for Egypt, we will find that they are in the consumer sector and among the small import-export companies that do not benefit much from the program.

The source added: The aid programs for Egypt, which total \$1 billion annually, represent the biggest economic aid obtained by any state from the United States. The country that comes next to Egypt in terms of aid programs is Pakistan, which receives only 20 percent of what Egypt receives. Therefore it is natural that U.S. companies should compete for the benefits resulting from implementation of the aid program.

The official U.S. source said that the various economic powers in the United States have supporters in the U.S. Congress that defend their interests, which is natural. But the great majority in Congress support aid to Egypt for political, not economic reasons. Ninety percent of those who support the program in Congress do so for political reasons while only 10 percent support it for economic reasons.

The source added that the United States is committed to supporting Egypt as partner in the peace process and the establishment of stability in the Middle East. This is a basic commitment by the U.S. Government that was confirmed by President Husni Mubarak's visit to the United States in February, which resulted in an agreement leading to greater flexibility in the utilization of U.S. aid allocations to Egypt.

As for the second point raised by David Ottaway concerning the allocations that have not been spent and the claim that 20 percent of the aid program projects are facing obstacles in implementation, the U.S. source explained that the Egyptian Government and U.S. aid have defined the size of the problem and the way to tackle it, and it is actually being dealt with.

With regard to the question raised about U.S. researchers and analysts and the researches and studies financed by U.S. aid, an official U.S. source told me that the U.S. aid mission in Egypt does not spend a single dollar without the Egyptian Government's approval and that the mission cannot deal with researches and studies without such approval.

Regarding the nature of these studies and who suggests them, he said there are two types of studies in which the U.S. aid mission participates.

The first concerns projects carried out by the mission itself. Studies in this regard are necessary for the implementation of projects costing hundreds of millions of dollars. It is inconceivable for projects to be carried out without a detailed study of all their aspects in order to ensure their soundness.

The other type is researches required by scientific bodies such as universities or Egyptian centers for scientific studies. The role of the U.S. aid mission in this case is confined to providing the finance, without going into the details.

The source said the allegation that the researches and studies are secret is false. This is proved by the fact that all the researches and studies which have been carried out, in which the mission participated or which it financed are in its library at the disposal of any researcher or analyst that wants to see them. The mission has allocated photocopying equipment for copying these researches "free of charge" in order to help researchers and analysts obtain the information they need.

The U.S. source attributes the campaign against the researches and studies to competition between research and study establishments in the Egyptian private sector. Whoever wins a tender for study or research is happy with it and whoever "misses the bus" opposes them and considers them to be against the national interest, just as happens between U.S. businessmen with regard to projects in which U.S. aid funds are invested.

Finally, the economic problem is the number one challenge facing us all, both people and government. Solving this problem is primarily a national goal which we should support and help to achieve.

If the world community has placed its trust in Egypt and agreed to give it more economic aid, including U.S. economic aid, it is inconceivable for us to cast doubts on the objectives of this aid by magnifying the mistakes that might occur in any program when it is being implemented.

There is no reason for fear or concern for Egypt's economic security and the soundness of its social entity as long as dealings with foreign circles are carried out through official channels, not outside them.

We only have to specify exactly what we want, to draw up national priorities and to properly utilize the unconditional local and foreign sources of finance available to us.

We must also ask a question: Who will lose if we lose one of our sources of financing and development plans are consequently delayed?

The loser in this case, of course, will be the great majority of the people, not the theoreticians and the ideologies.

CSO: 4500/43

COMMENTATOR VIEWS U.S.-ISRAEL DISPUTE OVER AID

NC081640 Cairo Domestic Service in Arabic 1230 GMT 8 Dec 82

[Commentary by 'Abd al-'Azim Hammad: "Israel's Aims Behind Fabricating a Dispute With the Reagan Administration Over Aid"]

[Text] According to his press spokesman, U.S. President Ronald Reagan is astonished at Israel's accusation that his government wants to use financial and economic aid to Israel as a means for political pressure. President Reagan is right to feel astonished, because the aid he has proposed for Israel in the coming fiscal year is 20 percent more than the aid allocated for this year. Moreover, neither he nor anyone else in his administration has indicated that there is an intention to use aid as an instrument to pressure Israel.

The U.S. Government's stand toward the current controversy over aid to Israel is summed up in that it opposes an unwarranted increase in the funds allocated for Israel. This opposition stems from the fact that the U.S. Government is afraid that an increase in aid to Israel will lead the Arab states to conclude that the United States is rewarding Israel for its invasion of Lebanon and for its rejection of President Reagan's Middle East peace plan. However, for reasons connected with its political structure and for other reasons connected with the upcoming stage in the efforts for a peaceful settlement in the Middle East, it is Israel in fact which wants to use the question of aid as an instrument to put political pressure on the Reagan administration.

The controversy raised by Israel over the question of aid is a form of struggle which Israeli policy is eager always to keep alive because it achieves for it objectives more comprehensive than the struggle itself. First, the controversy over aid makes it possible for the Israeli Government to rally local public opinion behind it in a situation in which it disagrees with a foreign government, even if this government is an ally and even if the disagreement is fabricated. Second, this controversy achieves for Israel a preferred way to step up support for it by the Zionist lobby in the United States.

Therefore, the Israeli aims behind the controversy over aid are not directed at the aid itself but at the U.S. mediation efforts for a comprehensive settlement of the Middle East crisis. Israel has rejected the Reagan

initiative, and it wants--according to Prime Minister Menahem Begin--to persuade the U.S. president to withdraw his initiative. Israeli propaganda has even emphasized that the initiative in fact is not a Reagan initiative but an initiative of Shultz, the secretary of state, who is accused by Israel of being biased toward the Arabs.

Hence, through the controversy over the aid, Israel's plan is aimed at activating its loyal pressure forces to escalate the confrontation with the U.S. Government over the Reagan initiative. Israel thus hopes that Shultz will be dismissed, repeating the precedent of the dismissal of William Rogers, U.S. secretary of state during the Nixon administration, whose name was linked to a U.S. Middle East peace initiative at the beginning of the last decade.

Thus, we understand why the NEW YORK TIMES and the CHRISTIAN SCIENCE MONITOR have called on President Reagan and his secretary of state to act to prove their ability to consolidate their policy in the Middle East in the face of this Israeli plan.

CSO: 4500/43

WEEKLY SCORES U.S. OVER AID FOR ISRAEL

PM081133 Cairo MAYU in Arabic 6 Dec 82 p 2

[Article by Salamah Ahmad Salamah: "The United States Rewards Begin"]

[Text] "The suspect is almost giving himself away" is an old Arab way of describing someone who is suspected by everyone and whose actions and statements in self-defense incriminate him further and show him to be deeply involved in the crime and to be the one to benefit from it.

This is exactly the impression one got from the statements made by responsible U.S. White House and Senate sources in which they tried to disclaim responsibility for the Senate Appropriations Committee's decision to increase U.S. aid for Israel by much more than the figure recommended in the administration's foreign aid program. The increase is approximately \$475 million, most of it grants to enable Israel to buy more U.S. military equipment in addition to what it is already getting.

To give the Arab world the impression that the U.S. administration is innocent and has nothing to do with this immoral and undiplomatic increase, the administration quickly--but after the Senate committee decision was made--cautioned that such an increase would erode Arab confidence in U.S. policies and in President Reagan's Middle East peace proposals.

That warning came too late and was also unnecessary, because from the very beginning and at the peak of the Israeli aggression against Lebanon and during Israel's repeated rejection of the proposals put forward by President Reagan and his envoys to the Middle East, President Reagan's administration refused to put any pressure on Israel. In its numerous statements it made a point of dropping the word pressure from its dictionary on the pretext that any threat of pressure would drive Israel to more violence and intransigence.

Now that U.S. aid for Israel has been increased, the realistic and accurate interpretation of the U.S. logic is that, on the basis of tangible results, it means that the United States has reached the conclusion that Israel should be rewarded for its aggression against Lebanon and for rejecting all peace initiatives, and that it should be compensated for the losses it sustained

in its bestial adventures against the Lebanese and Palestinian people and also encouraged to resist any attempt or effort to establish peace and settle the Palestinian question. It does not matter to the Arab world whether the U.S. decision to increase military and security aid for Israel was made by the Senate or the White House itself, because the end result is the same.

Increasing the U.S. military aid for Israel by \$500 million simply means helping Israel to continue to build settlements in the West Bank and then annex it, enabling the Israeli forces to remain in Lebanon, and helping Israel to insist on its claim to Tabah. It is an implicit message to Begin's government that President Reagan's proposals are not really meant for Israel but rather as a piece of "chewing gum" for the Arabs to chew on and then spit out. After this, is there any room left for confidence?

CSO: 4500/43

LEFTIST NEWSPAPER, EDITOR PENALIZED FOR SLANDER

Cairo AL-AKHBAR in Arabic 17 Nov 82 p 1

[Article: "3 Months' Imprisonment for the Editor of AL-AHALI Newspaper and a Fine for Its Editor in Chief and Khalid Muhi-al-Din"]

[Text] The Qasr al-Nil misdemeanor court imposed a punishment of 3 months' imprisonment with labor and bail of 50 pounds with sentence suspended, on Shafiq Ahmad 'Ali, the editor of AL-AHALI newspaper, and a fine of 50 pounds on Husayn 'Abd-al-Raziq, the editor in chief of AL-AHALI, and Khalid Muhi-al-Din, the chairman of the board of the paper. The court also compelled them all to pay a temporary compensation of 501 pounds. They had published an article in AL-AHALI which the lawyer Mahmud 'Abd-al-Hamid Sulayman considered entailed slander and calumny against him. The sentence was issued under the chairmanship of Husayn al-'Aqqad, chairman of the court.

The lawyer Mahmud 'Abd-al-Hamid Sulayman had filed a direct misdemeanor suit against the editor, editor in chief and board chairman of AL-AHALI stating that they had published a journalistic report that contained statements of slander and calumny against him and information which was all lies and defamations and had no basis in truth. The journalistic report had accused him of cooperating with Muhammad 'Uthman Isma'il, the former governor of Asyut, in influence-peddling and appropriating certain lands in Asyut.

In the petition of the suit, his lawyer, Ahmad al-Khawajah, said that the newspaper AL-AHALI, on 16 June 1982, had devoted its third page to a journalistic report titled "AL-AHALI Obtains the List of Charges Directed against Muhammad 'Uthman Isma'il." The article included material defamatory to the plaintiff among the calumny and slander charges in the contents of the article, which the article had attributed to the former governor of Asyut, among them the statement that the latter had been a partner in his law office with his friend the civil rights plaintiff in Asyut, that this office did not amount to anything worth mentioning among lawyers' offices in Asyut because of their inability to pay the rent, that an eviction notice had been issued against them in 1968, and that the plaintiff had borrowed 323 pounds from the Alexandria Cotton Ginning Company, with a supply of cotton as collateral, but did not repay the debt.

Also, that the former governor had supported the plaintiff in appropriating cultivated land in excess of 100 feddans known as the tannery land, and an area

of 19,640 [square meters] of the Americaine land, that it was sold on his behalf for an exorbitant sum, and that he obtained 8,500 [square] meters in the Rizqah Abu Tawil basin.

Four Invalid Charges

The plaintiff's petition said that the article had attributed four charges to the civil rights plaintiff:

That he had participated with the former governor in committing crimes of exploitation of influence and illicit gain.

That he had unrightfully appropriated property belonging to the government and others.

That he had unrightfully appropriated property belonging to the public sector.

That he had not accounted for any work among the lawyers in Asyut and that his was not to be considered a law office.

The petition of the suit stated that all these charges were untrue, that they had harmed the person against whom they were directed, because the plaintiff was a member of the board of the Lawyers' Union and member of the permanent office of the Federation of Arab Lawyers, and that everything stated in AL-AHALI newspaper should be considered slander and calumny. He demanded a temporary compensation of 501 pounds. The defense refuted the statement of [line illegible] 40 feddans in 1958. With respect to the tannery land, it was proved that the plaintiff had owned part of this land, along with his father and his brothers, who were 18 in number, before 1950, as had hundreds of families, and that they had been deeded the land after it was reclaimed without prejudice to anyone.

As regards the Americaine land, it was proved that the plaintiff had purchased an area of less than 1 feddan through a sales contract issued in March 1970, before Muhammad 'Uthman had become governor, minister or a person with any important position.

Reasons for the Sentence

The court issued its sentence as mentioned above. In the reasons for the sentence, it was declared that the material published consisted of fictitious stories that were fabricated totally at variance with the facts and that the writer of the article had imagined that the departure of the former governor made it permissible to defame people and commit slander against them. The court said that it had become convinced that the crime of slander and the guilt of the accused existed, that what the accused person did resulted in harm to the civil rights plaintiff and that his demand for compensation for that harm was apposite and needed to be accommodated. The court therefore saw fit to assess the requested compensation as part of the text of the sentence in the form of temporary compensation, while compelling the accused to pay the costs of the case and lawyers' fees.

11887

CSO: 4504/90

ECONOMY MINISTER DETAILS NATION'S BALANCE OF PAYMENTS PROBLEM

Cairo AL-AHRAM in Arabic 14 Nov 82 p 9

[Article by 'Abd-al-Wahid 'Abd-al-Qadir: "In His Meeting with Businessmen, the Minister of Economy [said] Egypt Is in the Second Stage of Liberalization"]

[Text] Dr Mustafa al-Sa'id, the minister of economy, declared, "We are now at the start of a new phase of economic development. We consider this the second stage of the policy of economic liberalization, and one of its characteristics is that all businessmen in Egypt should feel confident and take initiatives with all the resources they possess, because the features of the coming stage will be the stabilization of conditions and clarity in the policies being applied, now that the economic issue, for the first time in the modern history of Egypt, has become the object of primary attention, above all other issues, on the part of the president, government and party, because it is the success or failure of the economic situation that determines the criterion of success or failure. Therefore, we now have a clear definition of the notion of the economic policy being applied."

Dr Mustafa al-Sa'id added that the liberalization policy which the government is emphasizing includes, as part of its planning, an emphasis on increased investments, which will come from three sources — the domestic, Arab and foreign private sector, the cooperative sector and the public sector. There will be no discrimination among these three sectors and they will have broad scope for investment, because that will result in more investments, development and job opportunities. He went on, "The liberalization policy has a necessary social dimension, which is represented by a just, equitable tax system, the orientation of government spending toward the interests of all, and the provision of job opportunities so that society may achieve the social and economic stability that is the concern of businessmen."

In his meeting the day before yesterday with businessmen in the export-import business in the chamber of commerce in Alexandria, which was attended by Dr Muhammad 'Abdallah, chairman of the parliamentary group for Alexandria and chairman of the Foreign Relations Committee of the People's Assembly, the minister of economy added, "We have a balance of payments surplus of non-budgeted activities amounting to 2 billion pounds, and the deficit that exists in the balance of payments basically assumes the form of budgeted transactions represented by imports and exports, which come to about 4 billion pounds. This is the result of increased rates of imports. To reduce the balance of payments

deficit, it is necessary that imports be guided and exports be encouraged, because the export sector is the only one suffering from instability and a proliferation of laws; the main reason for that is that liberalization, in the recent period, was interpreted in a manner that encouraged greater economic freedom, and that led to a headlong rush to import at a greater rate than the actual state of the Egyptian economy could tolerate. However, we now are intending to guide imports so that those will not exceed 4 percent a year and to increase exports to 8.5 percent a year, in accordance with the plan." The minister of the economy added that the government intended to review the lists of guidance committees. The importers' branch of the chamber of commerce raised a number of points during the meeting, including demands that stability be imparted to laws and economic decrees by having them studied thoroughly and deeply before issuing them and that increases in bank lending interest rates be reviewed as far as commercial sector financing went, since that would raise the costs of commodity imports and therefore costs to the consumer.

The importers also demanded that establishment of a currency market be accelerated in order to unify the price of the Egyptian pound vis-a-vis foreign currencies, that speculation and the granting of permits to individuals to open foreign currency exchange offices be eliminated, that a review be made of the customs protection given to foreign companies establishing industries in Egypt in accordance with Law 43, since they were supposed to function in the context of free competition on behalf of the Egyptian consumer, that surveillance over imports be combined in a single area to make matters easier for importers, and that consideration be given to computing percentages on invoices by increasing customs duties to total 5 percent of overall shipments, which would not be subject to the imposition of fines, and to computing import cost factors in accordance with the actual cost of currency transactions.

The chamber's committee of exporters also asked that a specific quota of industrial and agricultural output which would not be affected by domestic consumption pressures be allotted to exports that the development of agricultural and industrial output be enhanced, that priority be granted to the allocation of cash quotas for the importation of production requirements, that priority be given to export commodities in acquiring requirements from the local market, that a scientific center be established to specialize in packaging and canning studies, that notices of Egyptian products be given in contracts to carry out agreements, that a policy to subsidize new exports be set out at the national and sectoral levels, that attention be given in training agencies to raising the capability of people engaged in exports, that foreign trade company apparatuses be developed to offer specialized services to producers while providing the necessary flexibility for import procedures for people exporting after paying advance customs duties in accordance with the temporary permit (drawback) system, that domestic transportation capabilities be developed, that use be made of domestic waterways in transportation activity, and that the role of the chambers of commerce in developing Egyptian exports be stressed.

11887

CSO: 4504/90

HEAD OF SPECIALIZED COUNCILS DESCRIBES NATURE OF ACTIVITIES

Cairo MAYU in Arabic 15 Nov 82 p 5

[Article by Layla Hafiz: "Dr Hatim to MAYU: The Ministers Are Members of the Councils as Experts Who Have No Powers"]

[Text] The national councils offer recommendations on strategies for every government sector up to 2000. They also monitor the results of the execution of the recommendations bearing on these strategies and set out recommendations to correct existing trends to conform to these strategies. The most recent report which the specialized national councils prepared was the preliminary report on the al-Qattarah Depression project, presented to President Husni Mubarak a few days ago. This report contained three main sections dealing with the various studies on the project. Experts and scholars from the branches of the various councils and Egyptian and foreign experts in various areas of the project helped prepare it.

The influence and resources provided by Egypt's scholars as national council members take numerous forms. They were the first ones to recommend the following:

1. That use be made of High Dam benefits which the councils investigated, which have not yet been exploited, and that the negative features of the dam be eliminated. The councils stated, "Do not subject the High Dam to political disputes."
2. Reversing the picture of education, so that the proportion of [people in] technical education will be greater than that for general education.
3. Establishing Hilwan University.
4. Establishing education faculties in the governorates.
5. Recommending basic education.
6. Giving the universities financial and administrative independence.
7. Establishing one-classroom schools.

These are all ideas which were developed by members of the National Council on Education. The deputy prime minister and minister of education, Dr Mustafa Kamal Hilmi, contributed to the ideas, and they were carried out. In addition, the National Production Council recommended a law to develop domestic banks, which was put into effect, along with plans for manufacturing readymade clothes, cement and iron up to 2000, and so forth, and many innovations which appeared in Egypt for the first time, among them the move into the desert and the need to reclaim 150,000 feddans a year. These are all being carried out now.

The man who is responsible for the national specialized councils is Dr Muhammad 'Abd-al-Qadir Hatim. Japan has awarded him the Order of the Rising Sun, the highest medal in Japan, because the man is the president of the Egyptian-Japanese Friendship Society and has played a role which extends over a period of 30 years in developing friendship and cooperation between the two countries.

We therefore find ourselves in the presence of a personality with two dimensions, neither of which is less important than the other; one is the local dimension, the other is the international one. It is not amazing that one should be afflicted with consternation as to which dimension in the man's personality one should begin with.

At the outset, we should realize that Dr 'Abd-al-Qadir Hatim stands at the apex of the apparatus of the future of Egypt up to 2000, namely the National Specialized Councils. Consequently, we find ourselves hastening to learn what achievements the future of our country is harboring.

Dr Hatim says, "The world today is in fact moving forward. Rapid movement is its nature. Therefore, societies' ability to predict what the future will bring has increased, and the past years have witnessed many studies in various countries of the world that are aimed at setting out long-term strategies to enable countries to cope with their futures in appropriate ways.

"If we ask, for example, what the future projects for young people in Egypt should be, all the national specialized councils' studies, projects, research works and recommendations are aimed at the young people of Egypt.

"The 30 March 1968 Declaration pointed to the need to establish the national specialized councils, but the actual consummation of the idea occurred in 1974. The constitution on which a referendum was held in 1971 stipulated that the national specialized councils had to cooperate with the president in setting out long-range policies."

Dr Hatim said, "In forming the national specialized councils, attention was given to staffing them with concentrated representations of experts, scholars, intellectuals and specialists and to having ministers whose work was connected to the activities of one of the four national councils join these councils, as well as the chairman of permanent committees in the People's Assembly and the heads of the unions whose activities are connected to the councils' work.

"These councils have been in charge of studying issues in their respective areas of specialization, and they issue recommendations and present them to the president."

On the question of the degree of serious attention given to executing the recommendations, Dr Hatim said, "The executive agencies have carried out many of the national councils' recommendations, but some will take time to be carried out.

"The last and most important point is that the national councils' recommendations are strategies for Egypt's future, not republican or ministerial decrees."

The reason for that, as Dr Hatim sees it, is that the leaders are directly responsible for the daily activity or the daily decisions of organizations, authorities and leaders, while the national councils do not make everyday decisions — rather, they draw up urgent and long-term future strategies.

Dr Hatim gave an example of that, which was the fact that the national councils, through their studies, had asserted that Egypt's cement requirements would come to 15 million tons in 2000 whereas we were now producing just 3 million tons. At this point the national councils gave a signal, or formed a clear vision among officials, that they had to increase cement production to the volume the national councils had specified by preparing and training workers and providing allocations.

Dr Hatim said, "I have had experience in Egyptian political life, and one of the lessons to be derived from it is that many changes are made by new ministers in what previous ministers have done. However, establishing the national councils, after lengthy discussion, has asserted strategies for the future which will not change as the ministers change. Isn't that a sort of stability?"

30 Hotels

Dr Hatim said "Some people sometimes fail to realize the value of long-term policies. People attacked me at length when I was minister of the first Ministry of Tourism 20 years ago and sent out a plan to establish 30 tourist hotels on grounds that we have a strong reputation as a tourist country and that it is not normal for us not to have enough hotels.

"We started to proceed, in spite of the attacks made on the uses of these hotels, and 30 hotels were erected in various areas of Egypt; now these tourist hotels yield \$400 million a year. This is the fruit of long-term planning.

"Another example of long-range planning is that we set up 10 stage troupes in 1960 which have graduated hundreds of artists, all of whom we can see in Egypt and the Arab world."

Dr Hatim added that the cause of all Egypt's problems today is the lack of long-range planning that ought to have been carried out since 1960.

A Trip to Japan

Dr Hatim said, "My relationship with Japan has been going on for 30 years. I have visited it a number of times, most recently a few months ago. Japan is a country that is considered a model for all developing countries, indeed countries in the forefront in the world. Japan came out of World War Two totally destroyed.

"Japan started at below zero and in 37 years it reached the status of a major country courted by countries which are involved in progress and hold it in very high respect now that Japanese industries have invaded these countries on their home ground. The Japanese yen stands proudly before the dollar, the pound sterling, the franc and the mark.

"Egyptian-Japanese friendship has deepened, and President Husni Mubarak has accepted the invitation given him to visit Japan. The visit will take place early next year."

The Conference on Welfare

On the last trip, Dr Hatim attended two major economic conferences in Japan. The first one was attended by a large number of economics experts in Japan and other industrial countries, while the second was held under the title of the conference on welfare. Attending that was Kurt Waldheim, former secretary general of the United Nations, and a working [sic] economics expert who had received the Nobel Prize. Dr Hatim gave a lecture on welfare in developing countries and the countries of the Middle East to 2000 at the conference. In his lecture, Dr Hatim said that the oil countries had raised the prices of their oil, the industrial countries had followed them and raised the prices of their products, and, while the price of oil was now \$35, the price of a barrel of processed mineral water was much greater than that.

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CSO: 4504/90

BRIEFS

ABU GHAZALAH AT EXERCISE--Suez, 7 Dec (MENA)--Deputy Prime Minister and Minister of Defense and War Production Field Marshal Muhammad 'Abd al-Halim Abu Ghazalah and Chief of Staff Lt Gen 'Abd Rabb al-Nabi Hafiz today watched one of the final stages of the major military maneuver carried out by units and formations of the third field army in the Suez Desert, using live ammunition. This maneuver, which began the day before yesterday, comes within the framework of Field Marshal Abu Ghazalah's instructions to adhere to realism in training, in which he gave the commanders of each side in the maneuver freedom to take decisions for the development and circumstances of the operations without any interference. Various types of weapons took part in the maneuver, including reconnaissance aircraft, fighter-bombers, helicopters, artillery, air defense weapons, armored vehicles, electronic warfare means and mechanized infantry. At the conclusion of the maneuver, Field Marshal Abu Ghazalah said: What we saw today represented a free battle between two forces on desert land with difficult combat conditions. He said he gave the commanders of both sides complete freedom to take the necessary decisions according to the situation before them. Field Marshal Abu Ghazalah added: These commanders have proved that they are versed in modern warfare methods and in battles involving the use of various arms. I am very pleased with the high standard of training achieved by our armed forces. [Excerpts] [NC071956 Cairo MENA in Arabic 1700 GMT 7 Dec 82]

CSO: 4500/43

FATE OF POLITICAL GROUPS, INCLUDING TUDEH PARTY, TO BE DETERMINED

Tehran ETTELA'AT in Persian 16 Nov 82 p 15

[Text] Hojjat ol-Eslam Musavi Tabrizi, chief prosecutor of the revolution of the Islamic Republic of Iran yesterday took part in a press conference and while enumerating the activities of this revolutionary institution during the past year, explained judicial matters related to the office of chief prosecutor. He said it is more than a year that the heavy responsibilities of the chief prosecutor's office has been assigned to me and I must submit to the Muslim nation of Iran a report on what has been accomplished.

A Shortage of Judicial Personnel

Muxavi Tabrizi said in continuation of his remarks: The prosecutors' offices of the revolution were faced with a shortage of judicial cadres. As a result of the establishment of instructional courses and help from learned individuals and qualified students from the religious teaching centers of Qom, Mashhad and other cities we were able to eliminate the shortage of judicial personnel in offices of prosecutors in most cities.

He said: This major accomplishment was achieved through the efforts of the educational official of the chief prosecutor's office as well as other brothers, with effective and satisfactory instruction being communicated to judicial cadres of the offices of prosecutors by means of circulars and the internal magazine.

Today there is coordination between offices of public prosecutors which generally exchange information with each other. The political bureau has developed a special system whereby if an individual is wanted by one office, the chief prosecutor's office and other prosecuting offices are informed of the matter and the prosecuting office of the city involved is able to take appropriate action.

Financial and Auditing Matters

The chief prosecutor of the revolution had this to say about financial and auditing matters: Prosecuting offices have taken a major step in this regard and their work, like those of other government agencies and ministries, is functioning satisfactorily.

He added: A special system has also evolved in dealing with confiscated and sequestered property in order to safeguard public assets and put such property under government control.

He noted: The Majlis has passed a law according to which, under certain conditions, all such property is to come under government control. Any property which comes into the possession of a prosecuting office or is subject to confiscation is placed in the final account of the government. If the property is sequestered, it is placed in a government trusteeship account.

National Security

Musavi Tabrizi had this to say concerning national security: Taking into consideration the counterrevolutionary movement of 20 June and subsequent to that and the atmosphere of assassination, bombing, etc. carried out by mini-groups, the revolutionary prosecutor's office gained the upper hand over the counterrevolution with the help and cooperation of the Guards Corps, komitehs, other organs and specially the people, and has been able to establish very good security. I must say that for some time now we have only had a few assassinations and bombings.

He added: The root of some of the counterrevolutionary groupings in the provinces have been recognized and their members arrested. In Tehran very basic and strong measures have been taken.

He said: The chief prosecutor's office of the Islamic revolution captured the center of the agents of assassination and terror who had been attacking the Hezbollah people and in these recent 2 or 3 weeks they got what they deserved.

In the past 2 or 3 weeks many agents of torture and murder were arrested and were killed in clashes. Those arrested are in prison awaiting completion of their dossiers.

Treasons Against the Revolution

Mr Musavi added: The counterrevolution has realized the blindness of its line. I recently saw a letter belonging to them in which they said that this situation has turned out to our loss because most of the killings have involved unarmed individuals.

He added: From 13 September until 15 November a stop has been put to assassinations. In these 2 months we have not had more than 3 or 4 acts of assassination. Much has also been done regarding bombings. For example members of the group which had planted 70 kilograms of TNT in Imam Khomeyni Square were arrested and tried.

The Hypocrites and the Recent Explosion

Mr Musavi Tabrizi then referred the Naser Khosrow explosion and said: We have firm evidence that the explosion was the work of the hypocrites. Their target was not only the communications building but all of the Communication Center which they had studied for this purpose. They had been told in writing to blow up the whole communication system, with instructions to this effect having been issued.

Smuggled Out Foreign Exchange

The chief prosecutor of the revolution then spoke about smuggled out foreign exchange and the country's economy, saying: In the past year the public prosecutor's office in Tehran, the Army and other brothers have found and seized some 1.5 million smuggled dollars. Members of large gangs engaged in foreign exchange smuggling as well as the production of forged passports to help get personality cult idolators and members of groupings out of the country were arrested and the out flow of foreign exchange stopped. This was a big service to the economy and our country.

Debts and the Banks

Referring to debts owed by individuals to banks the chief prosecutor said: A number of rich individuals owing money to banks had taken advantage of the victory of the revolution by refusing to pay their debts. With the cooperation of the banks, the public prosecutor managed to collect some 40 billion rials in such debts. This debt collection was because of requests received from the banks by the central prosecutor's office of the Islamic revolution and was a big service to the economy of the country.

Houses, companies belonging to the followers of the former regime

Mr Musavi Tabrizi then referred to houses and companies belonging to the run-aways, saying: Run-away individuals had borrowed large sums of money from banks and then abandoned the companies, thus making the companies inactive and the owners indebted to the government. As a result of coordination with Plan and Budget Organization, a representative of the public prosecutor's office was assigned there and studied the situation concerning 600 consultant engineering firms, sequestering their assets. Companies which served no purpose were liquidated while those considered useful were reactivated and are operating in the interests of the public treasury.

In regard to houses, the chief prosecutor's office established a board to look into each individual case. Those which were to be rented, were rented out and the rent income is placed in the government trusteeship account and is reflected in the files.

He added: Perishable goods were sold and the action was reflected on the files, with the proceeds placed in the government's trusteeship account, while properties which can be held are being safeguarded. The same applies to orchards and arable land. The chief prosecutor said if owners of these orchards and lands returned from abroad and the court decided that such properties were 'tarnished', the properties would be confiscated by the government. If however such properties were considered 'clean', they would be returned to the owners after the deduction of incurred expenses.

Disgraceful Video Tapes

Our correspondent brought up the statement by the Sabzevar Majlis deputy in the national assembly regarding the ever-increasing overt and covert circulation of disgraceful tapes and his warning to the chief prosecutor's office regarding the matter, asking what had been done in that regard by the chief prosecutor's office, especially when he [the deputy] had said that a document linked to the matter had been found in the United States espionage den.

Mr Musavi Tabrizi responded: The statement regarding the discovery of the document in the espionage den is probably true. We know that the proliferation of prostitution among Muslims is one of the ways the United States uses to ensure continuation of colonialism. If prostitution increases among our people and our youth, perforce they will lose the revolutionary spirit. But our brother Majlis deputies must bear in mind that we do not have legislation that the prosecutor's office can base action upon.

Nevertheless the Tehran prosecutor's office, as an Islamic organ, carries on its struggle in forbidding potential sinners while the Islamic revolution prosecutor's Office to Fight Sin has been established with the permission and support of the Imam and is fighting such things. Of course much has been done in this particular case and such acts are not taking place overtly. It is possible that covert exchanges are taking place between houses but such acts do not take place openly in shops. If they did, they would certainly be stopped.

In any case, our brother Majlis deputies must act from the legislative point of view.

Arrest of Members of a Military Cell

Our correspondent drew the attention of the Chief prosecutor of the Islamic Revolution to a recent statement by the minister of interior at a meeting of the Council of Ministers to the effect that a military cell of the hypocrites had been uncovered and its members were arrested without the minister giving details. He asked: Can you tell us where this cell had been operating and who were those arrested?

Mr Musavi Tabrizi said: The public prosecutor's office in the capital had the cell under surveillance and brother 'komiteh' members showed good cooperation in the arrest of members of the cell.

Members of this terrorist cell who had carried out many acts of terrorism as well as those responsible were all arrested.

Some of the members were killed in clashes, a number of them were captured and tried, and the dossiers of a number of others are being completed.

Our correspondent asked Mr Musavi Tabrizi how it was that Abdolreza Hejazi, a co-conspirator with Qotbzadeh was given a 7-month prison term and about the same prison term was handed down against 'Abbasi?

The chief prosecutor replied: Involvement in a crime is of various degrees. (Of course the verdicts were issued by the Revolutionary Tribunal of the Army). For example, Abdolreza Hejazi, as far as I know, had knowledge only up to a certain degree and had not taken any active part or done any work or had membership in the group.

Mr Musavi Tabrizi responded to a question by our correspondent who asked if it was true that Ehsan Tabari, one of the important members of the Tudeh Party had been detained in Rasht and whether Kianuri, a member of the same party, had also fled the country (to East Germany)? He said: At the moment I do not know.

Ideological and Political Orientation of Prisoners

Mr Musavi Tabrizi was asked: To what extent have the ideological and political orientation of prisoners connected with the hypocrite groups achieved the purposes of the judicial authorities of the country?

He said: The purposes were not totally achieved. We had problems from the re-education and judicial points of view which, thank God, have been eliminated.

Mr Musavi added: You have seen on television many instances of the meetings between personnel of the prosecutor's office and the Guards Corps brothers with the accused. The heads of those groups came and took part in discussions, rejected each other's statements and knowingly or unknowingly, showed their connection with the United States line. If those meetings had not been the result of re-education, such changes in their mentality would certainly not have taken place.

Mr Musavi Tabrizi was asked: How much has the level of political and ideological thinking of the hypocrites increased? He answered: In prison the level of political and ideological thinking is very high and some may come forward in hypocritical fashion. However, we believe that many have recanted. A number have also been released and have returned to society. Of course some others have had deviations and have been dangerous.

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CSO: 4640/51

GUARD COMMANDER SAYS 'PLANS READY FOR LIBERATION OF BAGHDAD'

Tehran ETTELA'AT in Persian 13 Nov 82 p 2

[Text] In an exclusive interview with the ISLAMIC REPUBLIC NEWS AGENCY in Qom, Mohsen Reza'i, commander of the revolutionary guards, gave his views concerning the Imam of the nation's recent decree concerning the full presence of the nation of partisans of God at the fronts, and the goals and the greatness of the victorious operation Moharram and the future of the war. Referring to operation Moharram, the quantity of captured spoils, and the liberated areas, Reza'i said: This operation, which had been planned a month and a half ago, began with reliance on God, praise God, met with very good results, interesting attainments, and success. The principal goal of operation Moharram was to take the border heights. In taking these heights the combatants of Islam gained dominion over the lands of Iraq. In fact, the lifeline of the Baghdad regime, which ran from Baghdad towards Basra, was brought under fire and furthermore, we were able to silence the enemy's fire.

He added: Now, we are in a position to fire upon this strategic Iraqi military lifeline, which is known to the world as the central front, and to direct fire to any part of it, and this was one of the most important military aims of operation Moharram. Another point is that Iraqi forces are now out in the open on a vast plain and are in need of many forces. Neither Iraq nor the region's reactionaries can procure these forces, because they have already given Iraq all their forces they can give, unless now America itself puts its army at Saddam's service!

Brother Reza'i added: Our next goal was to destroy the enemy's forces, and praise God we destroyed more of the enemy's forces and equipment than we thought we could. Iraq suffered a great many human casualties. A great many pieces of equipment and goods were captured such as tanks and personnel carriers which no country would have sold to us even if we had waited 15 to 20 years. Praise God, in a few nights the combatants of Islam, with their boundless sacrifice and courage, captured all of these spoils for the army and the revolutionary guards of the Islamic Republic so that they could insure our country's future combative power.

He added: Another goal was to make the political propaganda impact on the world which we had been seeking, and with the taking of the border heights and the vast oil fields which drew from oil deposits common to Iraq and Iran,

we attained that goal. During this operation, our oil wells, several Iraqi oil wells, Iraqi and Iranian border guardposts, the little town of Zobaydat and several other small military towns were liberated by the combatants of Islam, and this had a very positive effect on the world, so that the news agencies throughout the world could not fail to report these victories. Of course, the chief desire of the foreign news agencies is to portray Iran as a country that wants war and Iraq as a country that wants peace. They therefore now portray our victories in this operation by saying, as they put it, that it is now Iran which is the aggressor. Of course, this in itself will lead to the spread of the propaganda of the Islamic Republic of Iran and its advancement and we have no fear of it. We have said from the first day that we consider ourselves at liberty from the point of view of religious law Islam, and humanity, to advance to any position from which it is possible for the enemy's fire to fall on the people on the land, in the cities, in the villages, and in the vital centers, and God willing, we will do this. Initially they denied the victories of the soldiers of Islam, but so much territory has been liberated that they could not ignore the victories attained, because they feared that they would lose more credibility, as they did after the liberation of Khorramshahr and the victories of operation Fath ol-Mobayyan. They therefore set out to kill two birds with one stone. They would be able to say they had reported the news, and also that Iran is a country that wants war. Praise God, with the presentation of this news, the world is gradually beginning to believe in the Islamic Republic of Iran and the instability of the Ba'thist regime. Now the combatants of Islam, enjoying very high morale combined with faith, are fully prepared to continue operations on all fronts.

The commander of the Islamic revolutionary guards then spoke on the future of the war, in view of the fact that some parts of our territory are still under enemy occupation: So long as America and Saddam do not submit to our just conditions and continue to fight with us, we are obligated to defend ourselves in accordance with religious law and Islam and even to continue advancing on Iraqi territory. Even though Iraq claims to have abandoned our cities, some of our territory, such as the city of Naft Shahr, is still under its control. Moreover, even if we liberate our territory, in view of all the damage they have caused to this nation, we cannot overlook our nation's rights. Our conditions are still the same as stated previously, and we will continue the war until these conditions are fully met. Of course, America thinks it can oppose this fighting nation. Our nation has thus far obtained good and positive results from the war. This war has been linked with blessings and good things.

Concerning the recent decree from the great leader of the revolution and the use of volunteer forces, Mohsen Reza'i said: The people's enthusiastic welcome for this fatwa was beyond our expectations. We are in great need of forces, and the more forces we have, the better we will be able to continue our operations. We have plans for the liberation of Baghdad, Jerusalem, and all occupied areas, and we have even calculated how many armies and how many people we will need in order to take them. We cannot go on living despite usurper Israel's occupation of dear Jerusalem. We need forces in order to defend Islam, the Muslims, and our country. We want all of the people, just as the Imam of the nation said in his official religious decree, to maintain

their acceptance and their presence in the field. With the exception of government workers and officials in organizations who are active behind the lines, as has been said in a revolutionary guard statement, we would like volunteers, especially those who are specialists in various areas such as mechanics, drivers, and support and logistics services and are volunteers at the battlefronts of the Truth against the Vain, to inform the revolutionary guard of their names and their specialties through the organizations attached to the revolutionary guard so that we can take advantage of their presence in accordance with the needs of the front. We stress that government employees should try to work through the organizational and executive channels of their own officials in order to keep them informed and aware of events and to remain in contact with revolutionary guard officials so that we will be able to profit in the best way from available forces and prevent wasting time.

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CSO: 4640/50

CONSEQUENCES OF EMBASSY TAKEOVER, IRAQI WAR INTERPRETED

Tehran SOBH-E AZADEGAN in Persian 7 Nov 82 p 2

[Text] Tehran - In connection with the observance of the anniversary of the Imam's exile on 13 Aban [4 November], students' day, and the third anniversary of the occupation of the spy nest, the Plan and Budget Organization has issued the following statement:

In the Name of God, the Merciful, the Compassionate

"We have stood against the United States until the end, and we will not allow the United States to return."

Imam Khomeyni

The 13th of Aban is one of the most glorious days in the history of the heroic struggles of the Muslim nation of Iran, a day for the manifestation of revolutionary anger, a day for the emergence of our people's antiimperialist, antiarrogance movement, and a day for chanting 'death to America'. On the 13th of Aban in 1343 [4 Nov 1964] the great leader of the Islamic revolution was exiled to Turkey in the wake of the bloody movement of 15 Khordad 1342 [5 Jun 1963], and on the 13th of Aban in 1357 [4 Nov 1978], the executioners of the oppressive monarchical regime painted the university campus with the pure and noble blood of more than 65 students and teachers.

On the 13th of Aban in 1358 [4 Nov 1979], which has rightly been called the point of departure for our country's second revolution, the revolutionary nation of Iran removed the last vestige of world-devouring America's presence in our country with the occupation of America's spy headquarters in Tehran. Following that the accommodationist liberals, the last hope and support for the superpowers, were also obliged to leave our country's political arena. American imperialism, however, and its lackeys, who had been wounded by the Islamic revolution of Iran, turned to the use of economic weapons in their struggle against Iran after the occupation of the spy nest. They froze Iranian assets abroad, imposed economic sanctions against Iran, and after that world oil markets were saturated by the bloodsucking rulers of the oil exporting nations so that the Iranian government could not sell enough oil to meet its foreign exchange needs. When these imperialist measures failed to have the slightest effect on our nation's resolve the stand against world arrogance, they ordered one of their

agents, Saddam, to attack the sacred soil of our Islamic nation, and in the words of our great Imam, this time America's hand came out of Saddam's sleeve. Our heroic nation, in addition to enduring an embargo and economic sanctions, found itself faced with a full-scale war. Thousands of kilometers of Iranian soil were occupied, industrial centers were bombarded, fields were set afire, and more than 1.5 million people were driven from their homes. Centers for the production, refinement, and export of oil were either bombed or faced with the continual threat of air attack. Our youths, our young and old epic-makers of history, however, with the Islamic Iranian flag in their hands, began a heroic battle with the agent of world infidelity and arrogance and his mercenaries, and finally, with great bravery and many martyrs, liberated the Islamic nation's soil from occupation by the agents of the superpowers.

The heroic battle of the Muslim nation of Iran continues in all areas, including the military fronts, the political arena, and the economic sphere. The bravery and wholeheartedness of this nation is so great that it is not easy to list its achievements in these areas, but on the economic front, where America had great hopes of returning to Iran, there have been many useful and specific results that have been attained for the noble Iranian nation since the occupation of the spies' nest, the economic sanctions, and the imposed war, including

1 - Taking over the helm of production. Iranian experts have taken the helm of production into their own hands and shown that the Iranian is himself capable of managing the economic and technical affairs of his country.

2 - Trade dependence on Western countries has diminished. In the year 1357 [21 Mar 1978 - 20 Mar 1979] the percentage of Iranian imports from West Germany, Japan, the United States, England, and France made up 65.2 percent of all imports, while in 1359 [21 Mar 1980 - 20 Mar 1981] America's share fell to zero and the share of the other four Western countries fell to 37 percent.

3 - Financial relations with American banks were cut, loans which were obtained during the time of the idol-worshippers were paid back, and financial commitments, which are themselves the source of political commitments, disappeared.

4 - The pattern of consumption has changed. Luxury and unnecessary consumer goods have been wiped off the country's list of imports and the importation of consumer goods has been exclusively limited to 16 varieties of basic and necessary goods.

5 - Economic sanctions have brought us the gift of self-reliance, and despite the regressive views of the accommodationists, the people have shown that it is still possible to live without ties to America, and along with it, with the realization of the catastrophic dimensions of economic dependence, the necessity for the rapid attainment of self-sufficiency and economic independence has become more sensitive than at any other time and has been identified.

6 - The Muslim nation of Iran has achieved successes in industry and production, examples of which follow:

- The start-up of a basic copper complex.

- The start-up of a second coke-making facility as an extension of the Esfahan foundry.

- Successes in the production of equipment needed by the country's electrical power and cable networks.

- The start-up of a section of the weaving unit in the Baluch textile factory.

- The start-up of a wood and paper complex in Gilan.

- The start-up of a mass-labor cement production line.

- The start-up of a 2,000 person cement factory in Gorgan, Mazandaran.

- The start-up of a 2,000 person cement factory for Fars and Khuzestan in Dorud.

7 - The use of currency obtained from oil sales, which affects not only the present generation but future generations as well, has been made subject to principles and regulations, and contrary to the expectations of Western circles, the government is not in trouble due to a lack of currency for continuing the war, and with strong financial reserves, it remains resistant and strong in the face of imperialist plots.

8 - Since the middle of the year 1360 [Sep 1981], with a realization of the extent of our dependence and the necessity for attaining independence in all areas of social life, an extensive and basic planning movement for expansion economically, socially, and culturally has begun.

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CSO: 4640/55

IRAN

TABATABA'I NAMED HEAD OF FOUNDATION OF THE OPPRESSED

Tehran SOBH-E AZADEGAN in Persian 21 Oct 82 p 2

[Text] Seyyed Mehdi Tabataba 'i has been named chief of the Foundation of the Oppressed by Prime Minister Mir Hoseyn Musavi.

According to a report received, the text of the Prime Minister's order is as follows.

In the Name of God

Brother Seyyed Mahdi Tabataba'i

This communication appoints Your Excellency to the position of chief of the Foundation of the Oppressed. I hope that with the aid of the munificent God and the application of your abilities you will be able to put this revolutionary body in the service of the oppressed more than before with the cooperation of the foundation's committed employees, and that you will pay sufficient attention to the following points.

1 - In order to attain the goals of the foundation's formation, it is necessary, as you bring about smoother operations in the various units and cooperation between them, that you make plans with regard to priorities.

2 - As is suggested by the name of the Foundation of the Oppressed, it is appropriate that this revolutionary body concern itself with ways to serve society's oppressed with correct and centralized planning before it is turned into a huge financial and economic organization.

3 - It is necessary, in the course of preparing a charter for the foundation, to conduct regular inspections of its affiliated units throughout the country so that its affairs will be conducted in accordance with the anticipated plan.

4 - It is necessary to investigate the foundation's financial and banking problems in relation to the governmental organizations and the country's banking system so that its financial and economic affairs will be conducted properly.

In this area I personally will have some direct views to put forward.

5 - In view of the foundation's extensive cultural resources such as cinemas, meeting halls, and printing presses, it is necessary, while attending to this phase of its resources, that it be placed in the service of our country's Islamic system for the greater exaltation and growth of Islamic values.

Cooperation between this part of the foundation and the Ministry of Islamic Guidance, the broadcast and movie industries, and the Organization for Islamic Propaganda is necessary.

6 - As the respected members of the Majlis have often said, an accounting must soon be made of all the foundation's departments and institutions.

7 - Efforts can be made in the creation of ties between the foundation's management and the people through the media in order to publicize services that have been provided and to present difficulties and issues to the people and in order to acquaint public opinion with this organization and provide basic relief for the problems of the oppressed. Efforts to persuade officials to continue with their responsibilities must be effective and real. I ask God Most High to grant you success in attaining Islamic revolutionary aspirations and in serving the oppressed.

Mir Hoseyn Musavi

Prime Minister of the Islamic Republic of Iran

The Prime Minister also expressed appreciation for the efforts of Brother Haj Mahmud Karimi-Nuri, former chief of the Foundation of the Oppressed, in a letter. The text of Engineer Musavi's letter is as follows.

In the Name of God

Brother Haj Mahmud Karimi-Nuri, you are hereby thanked for your persistent trouble and efforts and those of your colleagues in organizing and attending to the affairs of the Foundation of the Oppressed. I ask God Most High to grant you ever-increasing success in the service of the Muslim nation of Iran and the advancement of the sacred Islamic revolutionary objectives.

Mir Hoseyn Musavi, Prime Minister

9310

CSO: 4640/55

MEASURES TO HELP MILLIONS OF DEPRIVED FAMILIES ANNOUNCED

Tehran KEYHAN in Persian 18 Nov 82 p 17

[Text] Mashhad - More than 5.8 million members of deprived and low-income families throughout the country are receiving services from Imam Khomeyni's relief committees.

Nayeri, a member of the central council of Imam Khomeyni's relief committee, who had come to Neyshabur to participate in a planning and assessment seminar on self-sufficiency for Imam's relief committees throughout the country, said in a talk: With the formation of 428 principal and secondary branches of Imam Khomeyni's relief committee throughout the country, 1.4 million oppressed and low-income individuals have come under the mantle of this committee and have received welfare, medical, and production services. He added: In addition to this number, which receives aid continually, more than 1.4 million other people are in need of periodic assistance, and Imam Khomeyni's relief committees aid these brothers and sisters as much as they can. More than 3 million people also receive clinical and medical assistance from these committees.

The member of the central council of Imam Khomeyni's relief committee added: In addition to the services that these committees extended to the oppressed and their families, they also made efforts with activities behind the lines and aiding the combatants of Islam, to the extent that they have sent more than 8,000 truckloads of food and the necessities of life to the battlefronts of the Truth against the Vain so far, and at the present time, through the forces of these committees, 50,000 of the combatants of Islam are given hot food every day, and in addition to that, in areas where units from the war refugees foundation have not been established as yet, Imam Khomeyni's relief committees provide aid to refugees from the imposed war. In continuing this talk, he said: A basic goal for Imam Khomeyni's relief committees is to make its client families self-sufficient on the one hand, and to bring about the participation of these committees in production work on the other, so that they can provide constructive services by strengthening financial capacities and providing services to a larger number of families.

He added: In carrying out the plan to make the families self-sufficient which are able to work to some extent, the Imam's relief committee has established around 7,000 carpet-weaving shops and provided their initial capital.

Loans in the amount of around 3 million tumans have also been granted to a number of small businesses which were unable to continue operating during the victory of the Islamic revolution of Iran and afterwards due to a lack of capital. These committees have been able to help those who suffered losses from the recent bombing in the area of Tehran's Imam Khomeyni square with 40 million tumans in assistance.

9310

CSO: 4640/54

EXPANSION OF COOPERATIVES AFTER REVOLUTION REVIEWED

Tehran KEYHAN in Persian 18 Nov 82 p 3

[Speech by Seyyed 'Abbas Hoseyni, deputy minister of commerce and chief of the Central Cooperative Organization of the Country]

[Text] At the present time there are 5600 cooperatives under the jurisdiction of the Central Cooperative Organization of the Country. This figure represents a 318 percent increase over the number in existence prior to the revolution.

There are also 580 local cooperatives throughout the country to which 410,000 families belong.

Seyyed 'Abbas Hoseyni, Commerce Ministry Deputy for cooperative affairs and chief of the Central Cooperative Organization of the Country, in the course of announcing the above items at a press conference, discussed the cooperative activities in the country.

He began by discussing the varieties of cooperative companies: Special changes were brought about in the cooperatives after the triumph of the revolution, and an attempt was made to bring the formation of cooperatives into compliance with articles 43 and 44 of the constitution. During this period a great many cooperatives were formed or strengthened, including residential, procurement, and distribution cooperatives, self-employment cooperatives, small industry cooperatives, cooperatives for rural and agricultural handicrafts, and workers' cooperatives. There are now 5600 cooperatives under the jurisdiction of the Central Cooperative Organization of the Country. This figure represents a 318 percent increase over the number in existence prior to the revolution. The largest increase has been in the procurement, distribution, and self-employment cooperatives. The number of cooperatives of this type is 99 times greater than it was prior to the revolution. With regard to the formation of consumer cooperatives, he said: These cooperatives have been created by the people themselves in the various communities, making use of the cooperative spirit that came into existence during the revolution. These cooperatives have now expanded in the various communities. The number of such cooperatives throughout the country has come to 850, 360 of which are in Tehran, the remainder in other cities, to which 410,000 families belong. With regard to the formation of an organization or a ministry for cooperatives, the deputy minister of commerce said: This has

been under discussion for some time and is even now before the economic council. According to the proposal being considered, a staff in the form of an organization, body, or ministry will be formed after action by the Majlis. He added: Our viewpoint on cooperatives is an Islamic viewpoint and it is focused on the people. Their assets are cooperative and the people themselves have a say concerning them. Hoseyni said: Cooperatives must not be monopolistic, but rather under an Islamic system. The rule of capital is unacceptable in the formation of a cooperative, and the exploitation of one individual by another will not be accepted. We believe that cooperatives must be protected, or to put it a better way, any way or means that can deliver goods directly to the consumer must be continued and supported. Concerning the method of distributing goods by cooperatives, Hoseyni said: Cooperatives have had a very effective and sensitive role in distribution since the war and they have been able to cut out middlemen and gougers to some extent. Cooperatives such as the guild cooperatives procure what is needed by the trade units and distribute it among members without the need for middlemen. Since all goods are not distributed by cooperatives, however, and some factories and organizations distribute goods themselves, this has caused high prices, because cooperatives in general do not have a profit motive and do not sell at high prices. They buy merchandise in bulk and distribute it among their members. He added: In order to cut out middlemen and prevent selling at high prices, the necessary cooperation must be brought about between organizations, middlemen must be pushed out, and cooperatives, which are now the only just means for the distribution of merchandise, must be protected and strengthened, and the factories must work with the cooperatives.

9310

CSO: 4640/54

MINISTER CALLS ON PHYSICIANS TO RETURN HOME

Tehran KEYHAN in Persian 18 Nov 82 p 17

[Speech by Minister of Public Health Dr Manafi]

[Text] Shahr-e Kord - KEYHAN correspondent: The Minister of Public Health, who had gone to Shahr-e Kord to study clinical and health matters in the province of Chahar Mahall va Bakhtiari, discussed matters pertaining to the recruitment of physicians, the shortage of medicine, and the establishment of clinics in an interview with KEYHAN's correspondent.

Dr Manafi, Minister of Public Health, began by discussing the recruitment of physicians: Several delegations have been sent abroad so far with this objective, and most of the physicians they have contacted have been desirous of returning and serving their fellow countrymen. A committee has been formed in connection with this in the Ministry of Health in order to make arrangements for the return of those physicians who wish to return.

At this point, in appreciation of those physicians who even abandoned their children outside the country and came to Iran, he said: They certainly deserve appreciation, because they have returned to their country and abandoned their children in order to serve their own kind and the martyr-nurturing nation.

He added: It has often been said, however, that physicians have two important concerns. One is facilities, and the other is the matter of conveniences, because if there are no roads, schools, good environmental conditions, and so on, we will have trouble sending physicians to the villages. At the present time, using the one-month plan, we send physicians to the villages by helicopter, and it is hoped that, God willing, our Islamic revolution will advance at the same time as other areas and that we will be able to have roads, schools, public health, and other things in the villages so that physicians will go to the villages to serve the deprived villagers with their minds at ease.

Concerning the construction of a hospital in the province of Char Mahall va Bakhtiari, the Minister of Public Health said: Decisions have been made to build a hospital in this province, and, God willing, steps will be taken with regard to this as soon as possible. Concerning our correspondent's question regarding the shortage of medicine, Dr Manafi answered: What people are saying about our being faced with shortages of medicine is a lie. They are trying to stir up trouble. With the implementation of the plan for generic drugs, this matter will be completely taken care of.

He added: The problem of medicine is not one that can be solved in a single stroke, because the international corporations, with their world drug cartels, are fighting the generic drug plan. We hope our heroic nation will be victorious in this matter and deliver medicines from the hands of the profiteers, and that drugs will be used in our country in the near future as medicine, and not as a tool for a handful of profiteers.

He added: Fortunately, this plan has been 80 percent successful so far with regard to the production of medicine and 60 percent successful with regard to its importation. God willing, this plan will soon be 100 percent successful.

In conclusion he expressed the hope that with the implementation of the generic drug plan and its success, the drug cartels will be completely cut out of Iran.

9310

CSO: 4640/54

'NEW REVELATIONS OF U.S. ESPIONAGE' PUBLISHED

Tehran JOMHURI-YE ESLAMI in Persian 31 Oct 82 p 11

[Text] Recently three books, from the series of revealing publications of Muslim students following the imam's line, have been published. These are issues 14, 23 and 24 from the series of publications derived from the remainder of the documents of the American spy nest fallen into the hands of the students and the Muslim people of Iran.

Numbers 23 and 24, which comprised the 4th and 5th books from the spy nest documents, concern the subject of political parties in Iran and discuss the activities of various groups, quote from the leaders of political groups, and give an account of their meetings with embassy officials and those officials' personal observation of these individuals. Undoubtedly, the documents found in the spy nest are all written and reported based on the satanic insight of the spy-diplomats, and it is obvious that judgment about these documents in relation to social events must be made based upon this insight. Between the lines of these documents one can discover the angles of the great satan's movements, and by utilizing the Islamic standard one can arm himself in order to combat it and its mercenaries. One of the ways adapted by America to secure information after the revolution was the so-called official meetings in which the United States, with its cunning and satanic ways, gathered information. A good deal of America's analyses and observations of the Islamic revolution is based on the information gathered during such meetings. We therefore realize the particular importance of these meetings. Apart from these, some of the documents are reports of events and news items. A careful study of the selection and reporting of this news, which has been for the information needs of the great satan and his spies in Tehran, can help us recognize the interests and the important points of American imperialism. The curiosity and special sensitivity of the great satan in certain cases could show its weak points and its fears.

In book [as published] 23 documents are printed about contacts with political groups such as Nehzat Azadi, Socialist Workers' Party, Cherikha-ye Feda'i, Mojahedin, the Tudeh Party and other political movements.

According to document number 24, the fifth book of political parties in Iran, documents entitled Matindaftari, Nehzat-e Radical, Lawyers Association and Hezb-e Zahmatkeshan have been printed.

Document number 14 contains items under the headings of interference of America in Iran, which are intentionally analytical and refer to the first months of the victory of the Iranian Islamic revolution. Therefore it explains clearly the way the great satan dealt with the Islamic revolution during this period.

What is deduced from these documents is that the United States, after complete failure of all its plans, including its human rights doctrine, talks about giving relative freedom to people through the subordinate government of the shah by bringing to power people like Sharif-Emami with a religious outlook, the formation of a military government in order to create an atmosphere to collide with the power-hungry politicians, placing the imam in seclusion to block the continuous victories of revolution under his leadership, collusion with the power-hungry politicians, and bringing to power Bakhtiar, etc. However, after the success of the revolution, the United States came face to face with a government that is neither its satellite through which the United States can implement all its policies, nor, because of the fast speed of the revolution, has it had enough time to analyze the ways and means of dealing with the new government. Inevitably its first attempt, after the victory of the Islamic revolution, was to avoid confrontation with the Islamic Republic regime through propaganda, and to give the appearance of being absent from the political arena of Iran. As can be seen in the first document ('The embassy succeeded in forcing the National Iranian Radio Television to deny the previous report that a number of American advisors are still with the imperial guard. The United States is trying to observe events calmly and away from the propaganda blitz, so that it may find solutions for the future and appraise the severe blow it has received from the toppling of the monarchy and the coming into power of the Islamic Republic.

Document number 54 which quotes from "Thomset," an analyst in the embassy, reveals this great blow perfectly. "The United States, or any other country, always faces this danger of letting its ambitions obstruct its vision from seeing the truth. It seems that this is what we permitted to happen in the case of Iran. We wanted this country to be strong and stable. In the person of the shah we saw a man who seemed to have vision and dedication to realize these objectives and in time we were convinced that he was succeeding. Our belief in supporting this conclusion was based less on factual examples than on what we wanted to believe. Finding examples to show that Iran was not in fact what we wanted it to be was not difficult. But we persistently ignored it....

"If we could have paid more attention to the continuous shortages in Iran than we had done in the past, the blow of the collapse of the Pahlavi political system would have been a less severe blow to us.... It is no use crying over spilled milk. We are now facing a new political reality. A reality that makes both of us uneasy, because this is a more complicated political reality than we imagined and because the unfoldment of future events is completely uncertain.

The above document explicitly refers to the following matters:

1. Implicit reference to the objectives of the United States in Iran ("We wanted this country to be strong and stable...").

2. Admitting that the United States has experienced a major blow as a result of the revolution's victory.

3. The fact that the United States is unable to confront the Islamic Republic and that America is facing a system in Iran which it did not expect and therefore dealing with that system expeditiously is impossible. It is for this reason that the United States intends quietly to continue for some time with its activities, so that by assessing the status of the Islamic Republic it can, insofar as possible, utilize events to its advantage.

It should be noted of course that what the United States did not expect to confront in Iran was a government headed by the Imam, and the clergy which receives guidance from him; otherwise it would be a simple matter to deal with governments known to the United States, like the provisional government whose officials were liberals and western-struck individuals, and were mostly members of various political groups which went to the embassy for solutions before the revolution.

We wish success for the Muslim students following the Imam's line in their continuing historical movement and the continuation of their enlightening disclosures.

Spy nest documents can be purchased from the following centers:

1. Vahdat tent next to the main gate of the University of Tehran.
2. Peyam-e Azadi publication, Avenue Jomhuri-ye Eslami, section (Alef), Kuche-ye Seyyed Hashem, number 11 and other reputable book sellers.

9741

CSO; 4640/36

NEW REGULATIONS FOR TAXING WAGES ANNOUNCED

Tehran KEYHAN in Persian 15 Nov 82 p 4

[Announcement by deputy minister for tax revenues, Ministry of Economic and Financial Affairs]

[Text] The deputy minister for tax revenues of the Ministry of Economic and Financial Affairs announced changes in the taxation system, the performance of tax personnel and a new easier method for the payment of taxes.

Speaking in an exclusive interview with the correspondent of the ISLAMIC REPUBLIC NEWS AGENCY concerning changed guidelines for the collection of taxes he said: According to previous tables an income of 30,000 rials per month had been exempt from taxation while an income of up to 60,000 rials required the payment of an 8 percent tax on the amount over 30,000 rials and 20 percent of an income of between 60,000 to 70,000 rials was subject to taxation so that salaries of up to 70,000 rials per month was subject to a tax of 4,400 rials. According to the new rates, however, a salary of up to 40,000 rials a month is exempt from taxation, from 40,000 to 50,000 rials is subject to 6 percent tax, from 50,000 to 60,000 is subject to 8 percent tax and from 60,000 to 70,000 carries a 12 percent tax. Thus, salaries of up to 70,000 rials carry a monthly tax total of 2,600 rials.

The Ministry of Economic and Financial Affairs deputy minister for tax revenues added: The abovementioned tax table adjustment will cost the government some 20 billion rials a year, bearing in mind that in countries at war, taxes are usually increased appreciably.

Referring to taxation matters connected with salaried incomes Mohammadian said: In the past there were various disputes between salaried taxpayers and the Ministry of Economic and Financial Affairs. Previously the minimum tax exempt salary bracket was 12,000 rials a month, a figure which will increase to 40,000 rials a month effective from 21 March 1982. Actually the increased amount of 40,000 rials is applicable for tax calculation purposes in the year which began 21 March 1982. And in fact those who in the year beginning 21 March 1982 had to pay 52,800 rials for the tax years of 1358 and 1359 [21 March 1979 through 20 March 1981] have now become exempt from doing so. According to Article 134 of this law the rate of taxation has changed from

the past, in that lower incomes will be subject to lower taxes. In other words, the rate of taxation on lower incomes has been eased while it has been set on a higher scale where applicable to higher bracket incomes.

He pointed out: In reality we have wanted through this law to bring down tax liability on lower incomes while increasing taxes on higher incomes. In the past annual incomes of up to 30 million rials were subject to 50 percent taxation, this now has been increased to 65 percent, and while in the past amounts over 30 million rials and up to 50 million were subject to a 55 percent taxation, from now on there will be a 75 percent tax on amounts in excess of 30 million rials.

He stressed: The abovemention rates will be applied to net income, such income will be determined by officially approved ledgers to set the amount of income and acceptable deductions in order to arrive at the net income. In case the taxpayer involved did not maintain officially approved ledgers, the respective net income will be determined after a look into the taxpayers over-all activities.

He added: The 50 percent tax on annual incomes of 30 million rials will still leave a satisfactory balance, something which is also followed in other countries. The Ministry of Economic and Financial Affairs deputy for tax revenues noted: In the new tax law, different rates are applicable according to types of activities and factors involved in producing incomes. Naturally the tax rates on the productive sector will differ from the commercial, agricultural and other sectors and incomes derived from capital investment will be subject to higher taxation than income from work. He added: Thus the low-income masses who are the true backbone of the revolution will benefit from greater tax relief while higher income individuals will fill in their place. Mohammadian had this to say regarding the method of tax collection on salaries: Without the recent bill, collection of taxes for 1359 and 1360 [21 March 1980 through 20 March 1982] would not have been possible. We have taxable job incomes which fall under Article 63 and apply to individuals who throughout a year have continuous income and who are not affected by Article 59 which applies to taxpayers who must maintain officially approved ledgers and must each year submit tax returns to tax revenue offices such as businessmen, brokers, commission agents, factories, overland, maritime and air transport companies, movie theaters, doctors, official document registration bureaus and so on. Besides those covered by Article 59, other merchants come under Article 63 which requires them to submit to their tax revenue office their tax return for 1360 [21 March 1981-20 March 1982] within 2 months after the approval of this law, i.e. 2 November 1982.

At the same time, the basis of the 1359 [21 March 1980-20 March 1981] tax computations for these taxpayers will be their taxable income for the previous year. Those who have been required to pay tax for 1979-1980 period do so within 2 months of the approval of their 1980-1981 taxable income and in the amount set for 1979-1980. However, in the case of those who at the start of 1980-1981 abandoned their trade or changed occupations must submit to their tax revenue office within 2 months from the date of approval of this law their tax returns for 1980-1981. In the case of taxpayers who come under Article

63 and whose income for 1980-1981 was less than 25 percent or more compared to the previous year, they must appeal to arbitration boards within 2 months.

In the case of high income taxpayers who use the payment of religiously oriented money as an excuse not to pay their taxes Mohammadian said: The payment of taxes takes place according to the laws of the Islamic Republic of Iran. The national budget carries a figure for tax revenue as approved by the Majlis and the Council of Guardians and according to the instructions of the people's Imam anything which passes through this channel is considered Islamic and religiously motivated.

Moreover the Exalted Imam has determined through his writings that two kinds of taxes must be paid: direct taxes and extraordinary taxes, the latter being taxes recoverable by the government and the subject of his religious decree. The payment of taxes is therefore religiously condoned and will be recovered from those involved.

The deputy minister of tax revenue of the Ministry of Economic and Financial Affairs explained how taxes are to be collected on salaried jobs: once tax returns are submitted to tax revenue offices, auditors are required to draw up a list of potential taxpayers, both those who have submitted returns or those who have not, to the respective guild unions for comment. After receipt of such comment and based on conducted inquiries they will issue their assessment statements. He added; The Ministry of Economic and Financial Affairs asks all guild unions as well as the general public to encourage tax taxpayers to submit their 1360 [21 March 1981-20 March 1982] tax returns by 1 January 1983 at the latest.

Referring to taxation activities of the government ministry Mohammadian said: In the first 6 months of the year [beginning 21 March 1982], without counting tax from the government sector, direct tax collection showed a 46 percent increase compared to the same period of the previous year while indirect tax revenue, not including government taxes, showed a 20 percent increase for the same period.

This shows the extent of our activities. He quoted the total direct tax revenue for the first 6 months of this year at 94,477,053,000 rials. The total of both direct and indirect tax revenue for the first 6 months of the year showed a 20 percent increase, with most of the increase coming from direct taxation. In the first 6 months of the current year tax revenue, bearing in mind budget estimates for direct taxation, has shown a drop of 8 percent while there has been a 28 percent drop in total direct and indirect taxes. Since tax revenue is expected to increase in the second 6 months of the year we hope that the budget anticipated revenue will be fulfilled by the end of the year.

He then described the activities of tax revenue offices by saying: The Tehran tax revenue offices have sent out 190,000 tax assessments during the first 6 months of the year covering occupations, companies, landed properties and inheritances. Tehran tax revenue offices as a whole have handled 1,320,700 tax cases involving both tax collection as well as servicing tax regions.

Also out of 24,340 corporate tax cases in the current year, 9,450 tax returns have been submitted to tax revenue offices. The smallest number of these returns concern productive companies as well as car and spare parts dealerships (258 cases) while the majority of the submitted returns have concerned cooperative companies showing the public's interest in such ventures (795 cases). Mohammad explained checking and auditing procedures by saying: Previously companies could present their books to the official accountant after whose okay it would come in for a cursory inspection and final okay by an auditor and chief auditor. However, after the victory of the revolution the work of the accounts checking offices of the official auditors and their responsibilities were eliminated from the direct taxation law.

In view of the importance of auditing, the Ministry of Economic and Financial Affairs has prepared and submitted to the Council of Ministers a project to set up a large auditing organization that would be able to look into the accounts of governmental and private companies. Mohammadian continued the interview by saying: According to the Majlis funds are put into the government's account No 222 to help war damages or individuals effected by the war. These people are exempt from taxation. There are also other institutions, who can, if they maintain official ledgers, contribute 30 percent of their income to certain organizations. Such contributions are tax deductible.

The recipients of such contributions are the Center for the Disabled, the Reconstruction Crusade, Imam Khomeyni's Relief Committee, Martyrs' Foundation, National Rehabilitation Organization, and the Red Crescent. Also if those inheriting properties contribute such inheritance to the Relief Committee, Organization of the War Displaced, the Reconstruction Crusade and the Red Crescent, they will not be subject to taxation. The deputy for tax revenues in the Ministry of Economic and Financial Affairs called on taxpayers at the conclusion of the interview to adopt an Islamic attitude in their contact with the collectors. Contrary to past procedures when arbitration boards were not authorized to reduce tax assessments by more than 20 percent, the new regulation allows them to reduce such assessments to even zero--if based on proper documentation and properly supported factors.

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CSO: 4640/53

UNDERSECRETARY OF LABOR ON LABOR FORCE, EXPATRIATES

Amman AL-DUSTUR in Arabic 12 Sep 82 p 11

[Interview with Dr Taysir 'Abd-al-Jabir, Undersecretary of Labor Ministry; What Jordan Does With the Proceeds of Expatriate Remittances. The Broad Lines of Jordanian Plan for the Labor Force; date and place not specified]

The economy should be used in the service of mankind. However, some fundamentalist economists place man in the service of economy. They call for the encouragement of population increase or for birth control depending on the labor market requirements. Therefore, a reconciliation between economy as an abstract science and labor as a humane issue is an essential matter; which we hope we can achieve through this meeting with a responsible economist prominent in the field of labor and manpower. He is Dr Taysir 'Abd-al-Jabir, the Undersecretary of the Labor Ministry.

Manpower Plan

Al Dustur: Does the Ministry have a plan for manpower and what are the broad lines of such a plan if it exists?

'Abd-al-Jabir: The planning of manpower is considered one of the fundamental aspects of an overall national planning, however, it is one of the most difficult planning fields, particularly if the planner wanted to classify in the plan the types of specializations required, to train researchers in each field and to draft the future requirements of projects and existing organizations and the requirements of development projects comprised in the plan.

The planning law for the year 1971 called for the establishment of a national planning council which would assume the manpower planning in cooperation with the concerned authorities including the Ministry of Labor.

The ministry has participated in the setting up of the labor force plan included within the current 5-year development plan and whose main objectives are:

- fulfilling the plan's requirements of necessary manpower.
- increasing the participation of the labor force and in particular increasing the woman's role.

- training at least 8000 trainees by the vocational training institute, increasing the efficiency of 5000 workers in addition to job diversification.
- improving the working conditions, including safety and workers' health conditions.
- increasing the productivity of the labor force and its contribution to economic development.
- providing 185,000 workers with social security.

In addition, the ministry is conducting several studies which clearly contribute to an increase of our ability to understand the labor market situation, and to make a study of the number of engineers working in Jordan, and a study of the workers in the banking sector. The first study covers over 4,000 engineers, the second includes over 7,000 employees, in addition to a great number of Jordanians working in the banking sector in the oil producing Arab countries.

The ministry will continue to conduct studies on the various sectors to determine the quality of the workers. It is expected that we move--for example--to a study of doctors, workers in the hotel business and others.

Expatriates and Import of Workers

Al-Dustur: Jordan sends abroad its highly qualified sons while importing unskilled workers. If the balance is achieved on that basis, what would happen if the expatriates came back and import of workers became difficult?

'Abd-al-Jabir: Jordanian workers abroad are estimated at 305,000 workers of which 85 percent are in the oil producing Arab countries. The Jordanian workers are distinguished by their high technical standards and the high percentage of qualified and specialized workers. They perform a positive role in the fast development process of the host countries. The statistics indicate that there is a growing demand, in the neighboring Arab countries, for Jordanian workers, which renders the possibility of their coming back in noticeable numbers a remote possibility.

Jordan until now is expatriating more workers than those who return. The annual net number of expatriates is estimated at 5,000 workers.

The Ministry of Labor is taking certain measures to organize the expatriation and to limit the total number leaving Jordan to work abroad.

These measures include denying approval for advertisement requesting Jordanian workers abroad, if the advertised positions reflected belonged to professions which are needed in Jordan, concluding agreements with several big companies to limit the expatriation of its employees and constantly improving the privileges acquired by the Jordanian workers in Jordan to secure their job stability and providing more training of individuals to ensure the existence of alternatives should some leave.

Import of Workers and Its Negative Effects

Al-Dustur: In your viewpoint, what are the negative social effects that emanate from importing non-Jordanian labor?

'Abd-al-Jabir: The social effects emanating from labor expatriation have not yet received adequate examination, not only in Jordan but in all the Arab countries hosting workers from abroad as well, especially since these effects could include sanitary, cultural and moral aspects.

Whether these effects are negative or positive depends on the nationality of the workers. We find that over 70 percent of the workers in Jordan are Egyptian which is not the case in Arab countries where over 50% of the incoming workers are from Asian countries.

Through our studies of some of the social effects we find that they [the Asian workers] are limited in Jordan and do not affect the structure of society in a visible way. The percentage of crime caused by foreign workers is less than the percentage prevailing in a desired society. Perhaps the most important effect is the rejection of the Jordanian workers of work that requires no experience such as sanitation jobs, some agricultural and construction work. On the other hand, there is a positive effect represented in the participation of the Jordanian workers in the projects implemented by foreign companies which makes them acquire new work habits and better skills.

Expatriate Remittances

Al-Dustur: What does Jordan do with the proceeds of expatriate remittances and what is their practical use?

'Abd-al-Jabir: Official and unofficial Jordanian remittances are estimated at 1.5 billion dollars a year.

A remittance is a decision taken by the Jordanian worker abroad to transfer part of his earnings to Jordan. Consequently, the total of these remittances emanating from thousands of decisions is hard to regulate. In addition I do not encourage restricting these remittances for certain areas. I think that the best means is to create sufficient incentives to direct these remittances from one area to another. Through these incentives and advertisement of the investment yield approved by the government, the Jordanian worker could respond and invest his earnings in these fields as it is actually happening now with the establishment of industrial companies, financial and commercial corporations, hotels, construction of residential housing, and others.

There is no doubt that a portion of these remittances is directed towards consumption. The question is how much of this portion we could direct to the investment projects in accordance with the Jordanian development plan.

I believe that the current deficiency does not apply to the financing of sound economical projects, which is quite obvious from the great demand to subscribe in the shares of companies such as Southern Cement and others, but concerns our ability to establish investment projects with direct production. This

requires the establishment of an official agency to study and crystallize investment opportunities, with the cooperation of the private sector, into projects that are ready to be implemented. This information should be made available to Jordanians inside the country and abroad.

Training and Qualification

Al-Dustur: Do you believe that training and preparing the youth to send them abroad is an advantageous process both economically and socially?

'Abd-al-Jabir: Jordan has invested in training and education on various levels. Investment in university education exceeds in percentage what most of the developing countries have spent. This has led to an inflation in the professional pyramid of the Jordanian labor force concerning specialists and administrators while there is a shortage of skilled workers and technicians.

Some believe that education should not be measured only from the economical point of view, it is a desirable matter both culturally and socially regardless of the economical yield. Others say that the investment in Jordanian youth education was not aiming only to fulfill the Jordanian market requirements but the requirements of the neighboring Arab countries as well.

On this basis we can say that this process was in general advantageous; however, it needs more guidance and correction. In fact, the number of intermediate colleges have been increased to 44. Presently, 8 vocational training centers are being established. The graduates of these colleges and centers will be able to fulfill our requirements for standards of which there is a shortage in working power. In addition, the council for higher education should assume and take an effective role in the guidance and direction of investment in the labor force.

The Share of Wages in the Industrial Sector

Al-Dustur: What is the share of wages in the industrial sector and in relation to the Jordanian economy in general and do you believe it is a fair share?

'Abd-al-Jabir: Statistics on the National revenue distribution are scarce in the developing countries in general. I have checked these figures in the reports of the Jordanian General Statistics Administration and found that they lack the adequate detail to enable us to reach some conclusions. In addition, these figures are not accurate. In the study of the industrial survey for the year 1979, it was noted that salaries and wages in all the industrial institutions are equivalent to 34.5 percent of the total industrial revenue, and I believe that this figure is actually less than the reality because it does not include the salaries and wages of those who work in the industrial sector without pay who are generally factory owners. The industrial revenue also does not include the account of all rents including unrecorded rents. In addition, the net profits of the industrial sector does not include the working capital interests paid to the banks by the industrial institutions.

If these modifications are made, salaries and wages will in my view rise to almost 50 percent of the revenues of the production elements of industry.

If we also consider the accounting in the report on national income issued by the General Statistics Administration we find that the percentage of wages for the year 1981 reached 45.8 percent of the production elements' revenues which is a reasonable percentage if we consider that the balance of these revenues include residential leases, leases for various types of stores, agricultural land leases, the interest on borrowed capital and profits in all sectors.

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BRIEFS

LABOR FORCE STATISTICS--Dr Taysir 'Abd-al-Jabir, the Undersecretary of Labor reported that the ministry statistics indicate that the labor force in Jordan has reached during the previous year 450,000 distributed among the various economic activities. Dr 'Abd-al-Jabir also mentioned that the percentage of workers in the agricultural field has reached 10 percent of the total of the labor force, 2 percent for metallurgical and mining industries, 10 percent for industry, 1.5 percent for electricity and water supply, 14 percent for construction, 10 percent for the commercial field, 8.5 percent for transportation, storage and communications, 2.5 percent for financial services, insurance and real estate. The balance of 41.5 percent includes the general administration, defense and other services. Dr 'Abd-al-Jabir also pointed out that the number of foreign workers in Jordan last year has reached 120,000 while their number was about 100,000 in 1980. He added that the number of Jordanians working abroad has reached during the previous year 210,000, of which 86 percent work in the Arab countries. [Text] [Amman AL-DUSTUR in Arabic 14 Sep 82 p 2] 9973

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KING'S POLITICAL ASTUTENESS NOTED

Paris AL-NAHAR AL-'ARABI WA AL-DUWALI in Arabic No 289, 15-21 Nov 82 pp 23-24

[Article by Nihad al-Mashnuq: "Between Being a King or a Non-Entity the King Is Always Insisting on Being the King; King Hasan II, a Discriminating Realist in Every Crisis Told Brezhnev, 'Don't Waste Your Time and Mine: You Will not Become a Muslim, and I Will Not Become a Marxist' "]

[Text] "What does it mean to be an extremist?

"Quite simply, it means nothing because extremism is the end of the line, and anyone who reaches the end of the line cannot go forward. The opposite of that is he who stands in the middle of the road can move forward."

This statement was made by the chairman of the Jerusalem Committee, the chairman of the Arab Summit in Fez, the chairman of the committee of seven Arab ministers of foreign affairs, Prince of the Faithful, the monarch of Morocco, King Hasan II.

All these are titles and names of one person who in recent weeks has been at the forefront of an Arab policy that is coming out of Washington. He thus appeared to be keeper of "a secret," a man who was being sought by others who wanted to find out what that secret was.

King Hasan II deserves to be in that position, not because of his long and difficult history in government and not because of the history of his family which ruled Morocco for hundreds of years, but rather because his "realism" has gone beyond the point which his colleagues, the Arab rulers can declare. In his political announcements King Hasan II has always outpaced and outsmarted the political slogans that were being presented on the Arab scene.

For a long time the Arabs had grown accustomed to Saudi Arabia playing the role of mediator between their causes and the United States. The Arabs had also grown accustomed to Saudi Arabia acting as a moderator in the political differences and military disputes they had with each other. For a long time before the present time they had become accustomed to Egypt's historical, geographical and anthropological leadership.

Consequently, the Arabs were astonished and [they felt] they needed time to comprehend the role Morocco was playing in the region's central crisis, the Arab-Israeli struggle. Morocco's role has some features of Egypt's role and Saudi

Arabia's role as well. Morocco borrowed from Egypt's role its magnitude and its history: the population of Morocco has exceeded 20 million, and the country has many of its own resources and primary materials. Morocco borrowed from Saudi Arabia's role its distinguished relations with the West, even though its open-door policy toward the East is more unequivocal and more obvious [than that of Saudi Arabia].

The Distinguishing Feature of Jews

The King of Morocco, however, has a political advantage over the Arabs: that is his historical relationship with the Jews. In the first government Morocco had after its independence, King Muhammad V, father of the present king, appointed a Jew minister of transportation. The relationship between Moroccan Jews and Muslims goes back to a time that preceded the first cabinet that was formed after Morocco got its independence. When the Fascists occupied France, they asked Morocco, which was then under a French mandate, to turn over Moroccan Jews to them. But King Muhammad V turned down their request and said that those people were Moroccan subjects and that he was responsible for them just as he was responsible for any Muslim Moroccan citizen.

King Muhammad V actually got away with turning down the Fascists' request, and he preserved the lives of Jews who appreciated his stance. It was even said that the Christian pope, Pope Pius II, was accused of collusion against the Jews in Europe in support of the Germans, whereas the Muslim king, King Muhammad V had saved their lives. The presence of Jews in Morocco goes back to their escape with the Arabs from the Spanish Inquisition. They fled from Spain to Morocco after the Arabs fell from power there early in the 16th century.

It is for this reason that King Hasan II had always met with Nahum Goldman, the late leader of the World Zionist Organization without the least tension on his part or on Goldman's. Moroccan sources state that a large group in the organization supports Goldman's course, which calls for the establishment of a Palestinian state, and that the Moroccan monarch has been carefully maintaining his relationship with them. These circles add that U.S. President Ronald Reagan is backing this course and is gradually adopting it in his Middle East policy.

The Palestinian Effort

On the Palestinian side, the king has been trying for a long time to bring together Palestinian figures and [that group from] the World Jewish Organization which supports the establishment of a Palestinian state. The public relationship the king has with the Jews did not deprive him of being elected chairman of the Jerusalem Committee, which grew out of the Islamic Conference. The king believes that this relationship is justified for two reasons: first, to keep Jews in the Arab countries and to give them their full rights as citizens so as to fight immigration to Israel, instead of asking eastern countries like the Soviet Union or western countries like Austria to do something to stop the immigration of Jews to Israel. The second reason for the king is his concern that the dialogue between Palestinians and Jews become a tool by which pressure can be applied on the Israeli government.

The Arab League resolution requiring that efforts be made to bring the Jews back into the Arab countries where they used to live has been considered sanction of

the king's policy and an indication of the success of his plan. It is known that the largest number of Jews who returned to Arab countries were those who returned to Morocco.

This is not the only thing the king has in his favor in the Middle East crisis. Although he did bring together in Tangier Moshe Dayan, Israel's former minister of defense, and Hasan al-Tuhami, adviser to [former] Egyptian president Anwar al-Sadat in preparation for [al-Sadat's] visit to Jerusalem, he either offered to participate or participated in all the Arab-Israeli wars. In 1967 he sent Ahmed (Balfrij) as his personal representative to President Jamal 'Abd-al-Nasir offering to send troops to the front. He was told that Egypt welcomed a symbolic participation but that it did not see the need for Morocco's actual participation in the fighting. The king then decided that there was no need for symbolic gestures since the intention was to have Morocco participate in earnest unless there was no need for its participation.

Moroccan forces fought on both the Egyptian and the Syrian fronts in the October War. Their involvement was such that the king is reported to have said that Moroccans on their way back from Mecca now went on pilgrimages to the graves of martyrs in Damascus. In the past they used to stop in Jerusalem on their way back after performing the pilgrimage rituals.

He Did not Forget Moscow

Despite his close relations with the West and with Jews, King Hasan II succeeded in establishing strong relations with the Soviet Union. This led to the signing of the so-called agreement of the century to export phosphates. A fishing agreement also was signed. In one of his interviews the king said in jest that he had made [the following] request from President Brezhnev, "Don't waste your time or mine: you will not become a Muslim, and I will not become a Marxist." However, the Soviet Union did not forgive King Hasan for his military intervention in Zaire under the slogan of protecting the security of Egypt and Sudan and preventing the communists from gaining power in 1980, thereby provoking Moscow into supplying the insurgent Sahrawis with kinds of weapons which the king says the PLO failed to obtain, notwithstanding its just cause and its relations with the Soviet Union.

Washington Is Annoyed

The case was the same with the United States. During the administration of former French president Giscard d'Estaing, King Hasan II tried to establish an alliance between Rabat, Paris, Madrid and Dakar where at that time Leopold Senghor was in power. Washington became annoyed with him: it concluded a gas deal with Algeria, and it stopped a shipment of weapons to the Moroccan army that had been agreed upon.

In the Arab world and in Africa the king has always tried to distinguish himself from other rulers. He has always shown himself to be ready to participate in every crisis. Even in the question of the Sahara, his immediate crisis with Algeria and Libya, King Hasan II is acting as though this crisis were a passing one, even if it were to continue for many years with all the military and material burdens this implies.

Can it be said that King Hasan II succeeded in [playing] all these roles, the latest being that of trying to establish a connection between Arabs, Americans and Jews? Hasan II had been raised to become a king or nothing. He has therefore always tried to stay away from being a non-entity. His upbringing helped him develop a historical file in his memory for every cause. His anxiety about bilateral talks--it is an anxiety that controls him--made him master [the following] languages in addition to Arabic: French, Spanish and finally, English. The king does not feel comfortable talking with world leaders through an interpreter.

The king has surrounded himself with a task force of five persons, each of whom has studied one language in depth. The function of each one of these people is to read all the books and studies that have been published in his language and to prepare a summary of what he read. He then records that summary on a cassette so the king can listen to it. If the king hears something he likes or if something distinguishing attracts his attention in a book or a study, he asks for that book or study so he can read it.

Luck has played a major role in the life of King Hasan II.

In its report on the king's airplane which was hit in an attempt to assassinate the king by pursuing his airplane, the Boeing Company stated that it was impossible for the airplane to have landed at the airport without colliding [with something] or bursting into flames. But the airplane did land, and after it was repaired the king and his family flew in it to Mecca where they performed the rituals of the minor pilgrimage and washed the airplane with the holy waters of Zamzam. Those who were present at the assassination attempt that took place in 1971 at al-Sukhayrat Palace where the king was celebrating his 42nd birthday said that the king's composure in front of the military school students who were attacking was what saved him from being killed by stray bullets.

Besides, the question of the Sahara caused all the political forces that disagree with the king on everything except Morocco's right to its Sahara to rally around him. They joined the Green Procession he called for and continued fighting. The question of the Sahara also created a foreign war for distracting the army.

Throughout the first year of his reign after the death of his father, it was thought that King Hasan II was likely to fall from power. For several years after that everyone regarded him as though he were less than the strongest force in his kingdom.

However, after all these years in power, the question has shifted from [his success] inside the country to the successful roles he has played abroad. And this in itself is a major success.

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PROSPECTS FOR PETROLEUM UTILIZATION AND PRODUCTION OUTLINED

Cairo AL-AHRAM AL-IQTISADI in Arabic No 722, 15 Nov 82 pp 14, 15

[Interview with Sharif al-Tuhami, Minister of Energy and Mining: "The Truth about the Petroleum Situation in Sudan: Sudan's Minister of Energy Says That Sudan Is To Become Self-Sufficient by 1985"]

[Text] We postponed establishment of a refinery, and we gave priority to the pipeline.

There are about 1 billion barrels of reserves, and the existence of more oil reserves is possible.

The discovery of oil in Sudan several years ago led to the publication of many press reports which suggested that Sudan had entered a new stage and that in a short period of time it will become an oil country after the so-called lake of oil over which it is floating is utilized. However, soon after I had spent my first 24 hours in Khartoum I discovered that Sudan was suffering from a crisis as a result of the fact that oil products are not available. [I also discovered] that Sudan will not become self-sufficient in oil production except in 1985. [I discovered] that oil reserves were between 300 and 400 million barrels and likely to increase. The crisis is manifesting itself in the cars that line up and wait in front of gas stations. In some instances these cars have to wait for over 6 hours so they can obtain the gas they need with the coupons that are disbursed to them. Another manifestation of the inavailability of other energy sources like electricity is evident in the frequent power outages that occur in the capital. This forced a large number of factories to shut down as a result of successive losses [they had to suffer]. I was therefore anxious to meet with Dr Sharif al-Tuhami, Sudan's minister of energy and mining so I could ask him several questions about the energy situation and particularly the oil situation in Sudan, especially since economic integration projects between Egypt and Sudan may [not] be able to make strong strides forward unless the energy that is necessary for these projects is available.

[Question] The first question [I will ask] is this: Where do things stand at the present time in oil production in Sudan? What is the story about the "lake of oil" that is to be found beneath Sudan's territory? How true is the published news that Sudan's oil production will not begin till 1986?

[Answer] At the outset I would like to affirm that oil production in Sudan has

shifted from the realm of predictions to that of reality. Oil policies in Sudan have also shifted from the realm of general tendencies and perceptions to one of a steady policy. We have now begun devoting all our local and international capabilities and relations to the implementation of these policies. Everyone knows that drilling for oil began in earnest with the signing of an agreement in 1975. That was when President Numayri signed an agreement with Chevron. Oil production from the first oil well, the Abu Jabrah well, began in July 1979. Ever since then oil exploration operations have continued to grow and to increase. Oil was discovered for the first time in Sudan in what in geological terms is called a very large basin of sedimentary deposits that promises more discoveries and more reserves in the ground in central, west and south Sudan. This basin of sedimentation covers more than one province: Kordofan, Darfur and the Southern Province. So far, [Sudan's] storage capabilities are still in their preliminary stages, but oil can be found in extremely large areas. However, the presence of oil in more than one geographical area affirms possibilities that oil can be present throughout the country.

The story about the lake of oil over which Sudan is floating is just layman's talk. However, there are layers of sedimentary rocks that contain oil. These are scattered according to a certain geological environment. It is not expected that this geological environment be a lake, but it is rather a fixed geographical location whose features and dimensions are well-known. We are not talking about a lake; we are rather talking about sedimentary layers and their thickness. We are also talking about the oil flow and the pressures of that oil flow. Sudan is also hoping to have a large oil reserve. With regard to Sudan's known oil reserves, and this is drawn from those studies and geological evidence that have so far been completed, Chevron was talking at one time about 10 million barrels of oil reserves that may be discovered by drilling. This figure may be somewhat higher or lower, depending on the speed and earnestness of exploration efforts. We think, however, that actual concrete reserves indicate the presence of close to 1 billion barrels in scattered fields. So far what has been extracted from those fields is in the area of 300 to 400 million barrels. The planning in our oil policy is based on these figures, and these figures can change because it is possible for you to come to me 3 months from now and ask me about Sudan's oil reserves, and I would tell you that they have reached 600 million barrels. This is because this depends on increased discoveries, and this would mean an increase in the stock of oil that is available to us. There are indications that more oil will be discovered, and this will increase the stock of oil that is available to us.

The Story of the Refinery

[Question] Why did Sudan recently change its mind about building an oil refinery? You had intended to build that refinery to provide your needs of finished oil products.

Why did you begin building a pipeline between the oil wells and Port Sudan on the Red Sea?

[Answer] We began thinking of how we were going to utilize Sudan's oil ever since oil was discovered. Many directions and policies [were proposed] on how the oil could be utilized. Our oil policies must reflect the quantities of oil that

have been discovered since we do not plan our policy in a vacuum. Our policy rather stems from reality. If we began [this process] with 100 million barrels in reserves, we were inclined to think at the outset of building a medium sized refinery in Kusti in central Sudan. This would be the ideal policy for utilizing the resource that had been discovered. However, when there were more discoveries, and especially when it became evident that the oil pumped from the fields could rise from 25,000 barrels, which is the capacity of the refinery, to 50,000 barrels, it became necessary to effect some kind of change in our oil policies since our policies are flexible ones and not rigid.

Hence we considered the matter from an economic standpoint, and we thought about how we can get the maximum benefit [from what we have]. In other words, any oil exploration program, especially in Third World countries is directed basically toward exports because it is not expected that the needs of these countries would be so huge that they would consume all the oil they produce. Thus, the oil production program in Sudan is directed basically toward export. When we found that our resources were continuing to grow, we decided to go into exporting, and for this reason we began building a pipeline which will increase investment opportunities in Sudan's crude oil. Going into exporting gives the oil companies more incentives to expedite their drilling operations so they can export the largest possible quantities through the pipeline. The pipeline also helps oil companies operating in Sudan retrieve some of the funds they spent in oil exploration so they can make a greater effort [in present operations]. For this reason we postponed the Kusti refinery project to a later period, and we began turning toward [developing] an export policy. But we will, nevertheless, build a small refinery in Kusti to refine 5,000 barrels, instead of 25,000 barrels of oil a day. When our financial capabilities improve and we have investments available, we will build a large refinery. When crude oil is exported [from] the Red Sea area, we will have the capability of reaching worldwide western refineries in the area. These refineries are suffering from a huge surplus of workers that is expected to continue for several more years. In fact, there is a trend to shut down a large number of refineries because of the stagnant oil market worldwide. We in Sudan have an opportunity to sell crude oil and to buy oil products.

We will build a pipeline like the one between the oil fields and Port Sudan to carry refinery materials for liquefying crude oil. This pipeline can [also] be used to meet the needs of the various provinces through which the pipeline will run in Sanar and Kusti.

Sudan and Self-Sufficiency

[Question] When will Sudan become self-sufficient in oil? When do you expect the energy crisis in Sudan to be over?

[Answer] We are now on the verge of self-sufficiency for we are now exporting 50,000 barrels a year. We are hoping that by 1985 we will become completely self-sufficient and that a solution to Sudan's energy crisis will have begun. What we have to do in the coming stage is to meet our energy needs so that energy shortages would not affect development efforts. We have to be certain that the power we produce will be enough for factories and other areas of consumption. To indicate how extensive our energy crisis is, I will say that the government is currently exporting cotton for 750 million dollars every year and it is importing

petroleum products for 500 million dollars. This means that we are using [almost] all of our returns from cotton exports to import one commodity. Despite that, we must provide energy because it has an immediate effect on the performance of the economy.

With regard to furnishing the electricity we need, we are hoping to overcome the constant power interruptions by 1984. We have a project called the Third Power Project. It was established with British aid, and its aim is to generate about 400 megawatts of power.

[Question] What is Sudan's position in its dealings with international oil companies?

[Answer] We have a large number of companies operating in Sudan like Chevron, Total, Philips and Union of Texas. However, it was Chevron that discovered the oil. We deal with these companies on the basis of prevailing international rules; that is, we are taking part in production.

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